

NORTHWESTERN BANKER

DES MOINES

OCTOBER, 1933



F. M. LAW
President
American Bankers Association
President
First National Bank
Houston, Texas
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Let's Fight for State Banks and
the Dual System of Banking
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The Glass Bill —
It's Effect Upon New Business Development
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A Cedar Rapids Bank



Cedar Rapids

Servicing All Iowa

Our Best Advertisement

THE Best advertisement we possess is the good will of a satisfied customer.

The facilities that this bank places at the disposition of its correspondents, are based on this fundamental truth. We solicit the accounts of those who recognize the value of such facilities.

MERCHANTS NATIONAL BANK

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Cedar Rapids

Iowa

Northwestern Banker

Des Moines

The Oldest Financial Journal West of the Mississippi

Number 555

OCTOBER, 1933

38th Year

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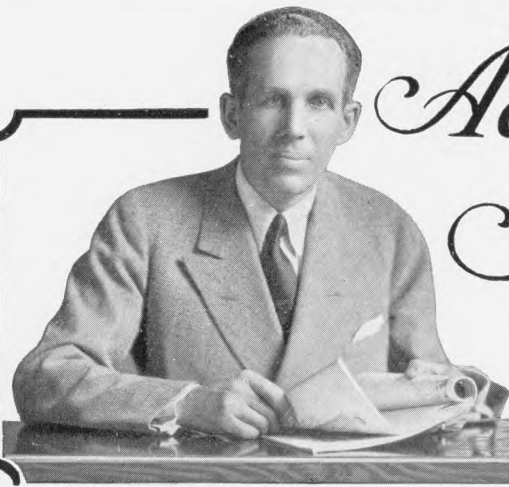
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Across the Desk from the Publisher

By Clifford DePuy

Disadvantages of Selling Preferred Stock to R. F. C.

I heard Jesse H. Jones, Chairman of the Reconstruction Finance Corporation, tell the American Bankers Convention to "Be smart for once and take the government into partnership with you."

A good many bankers with whom I have talked since then don't think it would be "so smart" to sell preferred stock to the R. F. C., and many of them won't unless they are forced to do so.

"What the President wants the banks to do," according to Mr. Jones, "is to strengthen their capital positions and do a banking business in a normal way, furnishing credit where credit is needed, based upon a solvent going country. What the banks need is more capital and the R. F. C. proposes to remedy that deficiency by buying preferred stock in banks and where state laws prevent the issuance of preferred stock, by lending money to the banks on capital notes."

Many bankers believe that such a plan will give still greater control of American Banking into the hands of the R. F. C., and base their contention on these three points:—

"1. All directors, officers and employes of the bank receive compensation at rates not exceeding maximum limits fixed by vote of a majority of the preferred stock.

"2. The Reconstruction Finance Corporation, with the approval of the comptroller of the currency, can direct the removal of any director, officer or employe, and replacement with one satisfactory. If that is not done within thirty days, the preferred, as a class, votes twice the amount of the common.

"3. The bank cannot purchase any real estate for its own use, or lease for longer than one year, without an affirmative vote of a majority of the preferred stock."

On the other side is the argument that the government is only trying to be helpful to worthy institutions and will not use any of the drastic privilege which it could exercise if it desired under the Preferred Stock rulings.

Banks Are Public Institutions

I think that in the past many bankers felt their institutions were "private" corporations because the capital stock was personally subscribed by them and their associates.

That idea has given way to the "public" viewpoint and especially so since banking and its functions have been on the "front page" for three years.

In discussing this phase of banking before the F. A. A., Bayard Pope, Chairman of the Advisory Committee of the Marine Midland Trust Company of New York said:

"Remember that we are public institutions. Our depositors are numbered in tens of millions and our stockholders in hundreds of thousands, scattered widely throughout the world. We are examined and supervised by public authorities and we are trustees for our depositors' money. We haven't become accustomed to the public's interest in banking, but the public now looks upon the banks as organizations engaged in public service, and the wise banker takes that viewpoint into account."

Another point which Mr. Pope mentioned was, "to keep in tune with public thought by getting out and talking with people inside and outside of your institution. It is the people, and not you, who should write the advertising."

Naturally, in smaller communities, this personal contact is maintained more than in larger centers—but in either place it is highly desirable to know what your customers think of YOU and "THEIR BANK."

Will Deposit Insurance Work Where the State Guaranty Plan Failed?

The proponents of the "Banking Act of 1933" say that it will. They say that Deposit Insurance is so very different from the old State Guaranty System that its success is assured.

At the annual convention of the National Association of Supervisors of State Banks at Chicago both sides of this new legislation were very ably discussed.

Arguing against the Guaranty Plan, Robert C. Clark of Vermont, President of the Association, was bitter in his criticism when he said:—

"Certain changes meet with the full approval of all of us. Others create grave misgivings. The guaranty of deposits has been a dismal failure wherever tried. Is there any reason to believe that membership in the federal reserve system and the resulting control by the federal reserve board at Washington will make possible the elimination of most of our bad banking and incapable bankers?"

"That membership in the Federal Reserve System is no guaranty of soundness or of good management, the banking holiday and its succeeding events prove. Will there be better results for the depositors under federal insurance of deposits than there has been without any guaranty or with the numerous state guaranty funds?"

"If not, there will be an attractive field for the bank which voluntarily withholds itself from participation in the insurance plan and appeals to the public on some other basis of safe operation. When the depositors realize that the guaranty is conditional on the right of unlimited assessment on the good banks to make up the losses of poorly managed banks, there are many of them who will prefer to trust the bank officered by men well known in the community as honest, prudent and endowed with good judgment.

"Partnership in bank deposit guaranty with banks far removed from home may not look attractive to the depositor in its last analysis."

In answer to these objections, and presenting a strong case for "Deposit Insurance," and especially for a 100 per cent protection of all deposits up to \$2,500.00, Senator Arthur H. Vandenberg of Michigan pointed out that:—

"I freely recognize that bank deposit insurance is a controversial subject upon which sincere opinions may honestly and prayerfully differ. I completely concur in any and all the complaints which may be resurrected against the colossal and tragic failures that were registered in every state which

launched itself upon the treacheries of a state guaranty of bank deposits. There is no logical relationship between these old state guarantees and this new federal insurance.

"In the first place, the state guarantees involved purely localized and concentrated risks which thus geographically invited the collapse of all if there was a collapse in one. Federal insurance, on the other hand, faithfully reflects the cardinal principle of diffused risks which is the time-honored and approved reliance of all sound insurance in all other fields.

"In the second place, the state guarantees involved complete protection for all banking resources, thus largely eliminating the crucial element of direct and individual banking responsibility from the banks and bankers themselves. Federal insurance, on the other hand, leaves the individual bank and banker so seriously responsible for such a preponderance of their resources that there is no appreciable immunity at all.

"In the third place, the state guarantees were very loosely administered and were freely opened to multitudes of new and needless banks which produced a fatal orgy of unrestricted competition. Federal insurance will be firmly handled and is but one factor in a new statutory regime which aims at enforced soundness both in bank population and in bank practice.

"In the fourth place, the state guarantees had no backing of resources and credit for the hour of stress. Federal insurance is capitalized with truly prodigal reserves. The initial fund is \$290,000,000 before a single penny of insurance premiums are paid. Its temporary borrowing capacity will exceed a billion dollars.

"I am chiefly interested in the limited emergency formula guaranteeing deposits of \$2,500.00, because it represents a maximum answer to this social responsibility; yet a minimum speculation in terms of fiscal risk. The point is that this government is committed by legislation and by an overwhelming public opinion to some kind of new warrant to make the savings of America safe."

Thus you have presented both sides of this highly controversial question, but it is a law and it was absurd for the A. B. A. at this late date to pass resolutions asking that the law be postponed. In my opinion they would have proven themselves much better politicians had they suggested a compromise by accepting in good grace the \$2,500.00 guaranty part of the law and then working for a repeal of the other sections which guarantee any deposits above this amount.



"YOUR HUMBLE SERVANT"

From the painting by Carl Kahler. Mr. Kahler was born in Austria in 1856 and came to America in 1901. He made a specialty of painting horses in appropriate landscape settings. The above reproduction is of a fine type of horse, the kind that is a family pet.

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Large Attendance at A. B. A. Convention

Meeting in Chicago Adopts Permanent N. R. A. Code

ADOPTION of a permanent NRA code was the most important action taken by the 59th annual convention of the American Bankers Association, held in Chicago September 4th to 7th. The code as drafted contains several modifications of the temporary NRA regulations under which banks have been operating and will be presented for approval at Washington September 28th by the code committee of the Association.

Article I of the code defines the term "bank" to include "all national banks,



RUDOLF S. HECHT
First Vice President
American Bankers Association

state banks, savings banks (both mutual and stock), trust companies and private banking houses accepting deposits." Maximum hours of employment are fixed at forty hours per week averaged over a period of thirteen consecutive weeks. Two exceptions are made to this regulation, one, permitting employes to work forty-eight hours per week for a period not to exceed sixteen consecutive weeks during seasonal peak loads, and the second exception is made when employes are required to work after hours during examinations by federal or state authorities. Employes in managerial and executive capacities receiving more than \$35 weekly, and employes in banking institutions employing not more than two persons in addition to

NATIONAL OFFICERS

President
Francis Marion Law

First Vice President
Rudolf S. Hecht

Second Vice President
Robert V. Fleming

the executive officers and located in towns of less than 2,500 are exempt from the code regulation fixing maximum hours of employment.

Minimum Wages

Minimum wages for bank employes are fixed by the code in accordance with differences in population—a \$15.00 per week minimum for cities of over 500,000 population; in cities between 250,000 and 500,000, \$14.50 per week; and in cities between 2,500 and 250,000 the minimum rate is set at \$14.00 per week. The code provides also that in cities of less than 2,500 the wages of all classes of employes shall be increased by not less than twenty per cent provided that such increases shall not require a minimum in excess of \$12.00 per week.

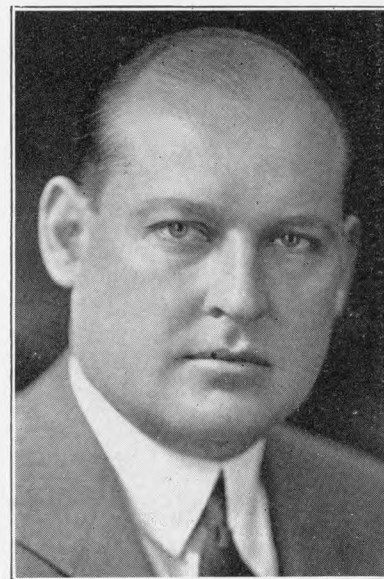
The code is to be administered by a banking code committee consisting of members of the American Bankers Association, and also representation without vote to be appointed by the President of the United States. Local committees are to be appointed where banks are organized in city clearing house associations, state or county groups, and where no such groups exist the banks will be required to effect such an organization along the lines of procedure set forth in the Manual of Organization and Management of Regional Clearing House Associations compiled by the American Bankers Association.

Other significant features of the new banking code are listed under the head of "Fair Trade Practices" and are designed to achieve a uniformity in service charges in local areas and to prevent unsound competition in the payment of interest on time and savings deposits. The code will bring all banks except mutual savings banks under the rules and regulations re-

cently issued by the Federal Reserve Board, fixing three per cent as the maximum rate to be paid on time and savings deposits by members of the Federal Reserve System. It is also agreed that the rules and regulations of all clearing house associations or other groups shall prohibit the payment of interest on demand deposits by any bank within such groups whether members or nonmembers of the Federal Reserve System.

Large Attendance

Over 2,500 bankers and guests attended the Chicago convention. The large attendance was accounted for in a good measure by perplexing problems facing bankers and a desire to thrash them out. The topics of a possible rapid expansion of bank credit by other than strictly sound loans, which appeared to be demanded by some sponsors of the recovery program, and the deposit insurance section of the Glass-Steagall Act were the two principal disturbing factors in the present banking sit-



ROBERT V. FLEMING
Second Vice President
American Bankers Association

uation which came to the front early in the convention deliberations.

Eugene R. Black, governor of the Federal Reserve Board, and Jesse H. Jones, chairman of the Reconstruction Finance Corporation, presented the administra-

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Northwestern Banker October 1933

LET'S FIGHT

FOR

STATE BANKS

AND
OUR

DUAL SYSTEM

OF

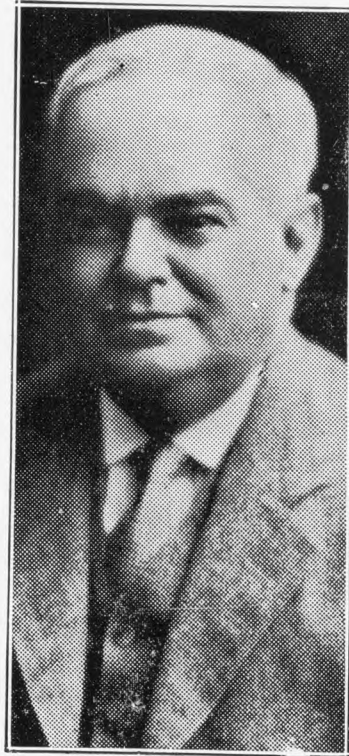
BANKING

• • •

By

L. A. ANDREW
PRESIDENT
STATE BANK DIVISION

A.
B.
A.



L. A. ANDREW

NO STATE Banks! Half of the banks in the United States forced out of business. Your own good state bank destroyed with the rest.

Shall the state bankers of the country be forced to accept such a program of destruction?

The battle for the preservation of the American Dual System of Banking has now reached the critical stage and the issue will probably be determined within the next few months.

After winning the great fight over Section 19 of the Glass Bill, those of us who are determined that the American Dual System of Banking shall be preserved, have suffered a distinct reverse and there is no use of disguising the fact that our enemies are nearer victory today than at any time during the battle of the last several years. A guaranty of Bank deposits with the forcing of all banks into the Federal Reserve System is now the new line of attack. We cannot agree with the Deposit Guaranty feature of the "Banking Act of 1933." We regard it as unfair, unsound, and unworkable. It is unfair to well managed banks in that it makes them responsible for the failure of mismanaged institutions. It is economically unsound and unworkable because it has been tried in eight different states and has been a failure in each one. A Deposit Guaranty Law will tend to improve banking practices; on the other hand, it will put the premium on the careless, unsafe banking methods. Good bank management is all that is required for safe banking and it can be enforced by proper supervising authority. When deposits are guaranteed, all kinds of banking are put on the same basis. There is no good defense for a deposit guaranty law under any name and this part of the act is simply the result of the depression hysteria.

We Must Decide

The question of whether the state bank systems shall be destroyed and about half of the banks of this country put out of business is now right up to a decision. The State Bank Division of the American Bankers Association has naturally been in the forefront of this battle for a number of years, as the very existence of this division and its thousands of members, comprising nearly half of the entire membership of the American Bankers Association, is threatened in this conflict. It is very unfortunate that the issue is so entangled with the depression crisis that now exists. The enemies of our great state banking system are taking advantage of the depression hysteria to conclude in their favor the battle that has been going on for a number of years. It is unfair that a great economic and financial question, involving the existence of thousands of banks and the financial stability of thousands of American com-

munities, should be brought up for decision at this time. The fight regarding the American dual system of banking is a clear cut issue between those who believe in the sovereignty of our states and home rule, and those who are in favor of a "unification of our banking systems" into one Washington bureau. It is also a fight between the unit banker, both national and state, and the proponents of a foreign system of branch banking. In fact, a careful analysis of the issue shows that the ultimate result of this battle, if it should be lost by the state bankers, will be the placing of seven or eight large branch banking organizations in charge of the financial business of this country. Those who are using the propaganda that the unit country bank has been a failure are putting forward the remedy of "Safety in Bigness"; that is, the safety of the foreign system of nation-wide branch banking. Their argument is based upon an absolutely false position. They say that the unit country bank has been a failure, and that the large number of failures among the smaller banks, both national and state, make it necessary to change the American dual system of banking to a foreign system. The American unit bank has *not* been a failure. The so-called small country bank, whether national or state, has indeed suffered from the great nation-wide economic depression, because the customers of these unit country banks were unable to pay their obligations, and also, in an equal measure, because the bonds sold them by the large investment houses and correspondent banks, turned out to be a poor secondary reserve. Losses in the bond accounts of a large number of the unit country banks have been as great or greater than the losses on local loans. These bonds were the result of "Bigness in Business." Unit country banks held millions of so-called "gilt-edged securities," sold them by "Big Business" listed on the exchanges as collateralized bonds, which, investigation afterwards showed, never had a dollar of collateral behind them. Millions more of bonds were sold to the unit country banks in an effort to make good the losses of large city banks with poor commercial accounts. Do not get the idea, however, that the unit country bank suffered any more in proportion from this poor judgment in bonds than the large city banks, with their expensive bond specialists. The losses in the large banks were even greater in proportion. This argument for "Safety in Bigness" is false from the ground up. The official figures on failures also prove that the arguments used against the unit country bank are false. The year 1931 was probably the worst as regards failures. During that year 2,316 banks closed. Banks with resources of under one million dollars closing dur-

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“THOSE of us who believe in the American dual system of banking and those of us who wish to preserve the unit country bank may as well realize now before it is too late that we have a fight on our hands. The propaganda to destroy the American system and to put in its place the foreign system, represented primarily by Canada and England, is being pushed by powerful interests with plenty of money for promotion purposes. State-wide branch banking is the first step in the program, next comes the so-called trade area branch banking, and then follows, as a matter of course, nation-wide branch banking with seven or eight large systems having three or four thousand branches each.”

“THE FIGHT against the unit country bank is not political, but is a fight that large interests are making to concentrate the banking power of this country in a few hands. The campaigning is carefully manipulated, untrue propaganda is spread broadcast and the unit banker fighting for his very life is confused by the rapid changes in the form of attack. The primary idea, of course, is to control all of the banking interests of this country by one bureau in Washington.”

“THE American unit bank has NOT been a failure. The so-called small country bank, whether national or state, has indeed suffered from the great nation-wide economic depression, because the customers of these unit country banks were unable to pay their obligations, and also, in an equal measure, because the bonds sold them by the large investment houses and correspondent banks, turned out to be a poor secondary reserve. Losses in the Bond Accounts of a large number of the unit country banks have been as great or greater than the losses on local loans. These bonds were the result of "Bigness in Business." Unit country banks held millions of so-called "gilt-edged securities," sold them by "Big Business" listed on the Exchanges as Collateralized bonds, which, investigation afterwards showed, never had a dollar of collateral behind them.”

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Acme Interest Tables

Compiled By MARION D. WOODS

CONTINUED in this issue of THE NORTHWESTERN BANKER are two sets of the Acme Interest Tables, as compiled by Marion D. Woods, of Des Moines. Last month appeared the first of the series, the 5 and 6 per cent tables, with detailed explanation for their use.

Below are published the 5½ per cent and 6½ per cent tables, reproduced in the same style as heretofore, with a wide margin to facilitate binding.

In the November issue of THE NORTHWESTERN BANKER will appear the final set, giving figures for the 7 per cent and 8 per cent tables.

Wide Margin
for Binding
if Desired

Days	5½%								
	10000	20000	30000	40000	50000	60000	70000	80000	90000
1	000153	000306	000458	000611	000764	000917	001069	001222	001375
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4	000611	001222	001833	002444	003056	003667	004278	004889	005500
5	000764	001528	002292	003056	003819	004583	005347	006111	006875
6	000917	001833	002750	003667	004583	005500	006417	007333	008250
7	001069	002139	003208	004278	005347	006417	007486	008556	009625
8	001222	002444	003667	004889	006111	007333	008556	009778	011000
9	001375	002750	004125	005500	006875	008250	009625	011000	012375
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19	002903	005806	008708	011611	014514	017417	020319	023222	026125
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22	003361	006722	010083	013444	016806	020167	023528	026889	030250
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72	011000	022000	033000	044000	055000	066000	077000	088000	099000
73	011153	022306	033458	044611	055764	066917	078069	089222	100375
74	011306	022611	033917	045222	056528	067833	079139	090444	101750
75	011458	022917	034375	045833	057292	068750	080208	091667	103125
76	011611	023222	034833	046444	058056	069667	081278	092889	104500
77	011764	023528	035292	047056	058819	070583	082347	094111	105875
78	011917	023833	035750	047667	059583	071500	083417	095333	107250
79	012069	024139	036208	048278	060347	072417	084486	096556	108625
80	012222	024444	036667	048889	061111	073333	085556	097778	110000
81	012375	024750	037125	049500	061875	074250	086625	099000	111375
82	012528	025056	037583	050111	062639	075167	087694	100222	112750
83	012681	025361	038042	050722	063403	076083	088764	101444	114125
84	012833	025667	038500	051333	064167	077000	089833	102667	115500
85	012986	025972	038958	051944	064931	077917	090903	103889	116875

(Continued on page 12)

The Glass Bill--- and Its Effect Upon New Business Development

OUT of every great emergency there is bound to come revolutionary changes that affect, not only banking, business, and industry, but civilization itself. Frequently, the habits and customs of our American people undergo completely a change. The World War, filled with suffering and hardships, as it was, brought about changes that have been far-reaching in the influence which they have exerted upon this generation.

In industry, we developed the process of mass production, the result of which has had a lasting effect upon the employment of labor. Business expanding on a gigantic scale, reached its zenith in 1929. Office buildings rose to heights heretofore unknown, and credit expanded beyond its limits, with a result that millions were lost to security owners and bank depositors.

In society, women demonstrated their rightful position of equality in business and in the home. From a national viewpoint, Jew and gentile, Catholic and protestant, became united into one great American family, breaking down prejudices that had been built up over centuries.

Something New to Sell

One could discourse for hours on the influences which national and international events have upon mankind, but we are today concerned with the changes in the banking systems of the country which have been brought about by changed economic conditions. We are concerned with the Public Relations aspect of the banking business.

Today, we have new merchandise to sell. True, to some degree, it partakes of the old merchandise, yet it is very different than what we had to sell even one year ago. Not only has our merchandise changed, but our clients and customers have also undergone a very decided change—a change in viewpoint—a change in their understanding of a bank's function.

Preceding the bank holiday, distrust and lack of confidence arose. It was apparent on every side. I can illustrate this by telling an incident which occurred in a large mid-western bank prior to the banking holiday.

A man was approaching the teller's window with a sizable bundle of money.

By **W. E. BROCKMAN**

*Assistant Secretary
Northwest Bancorporation
Minneapolis*

He was nervous and restless. Seeing a friend standing near, he said, "Do you think this bank is safe?" The friend, who was well acquainted with the bank and its officers, said, "The officers are all crooks, but I think the bank is absolutely safe." I could relate many, many instances of this kind that have come to my attention and which happened in many parts of the country.

Of the present situation, David Lawrence says in his weekly, "Two big objectives have been won though they are little emphasized. Confidence—the goal of 1932—has been attained. There is a faith now in the inevitability of the up-

"IF WE, as bankers, are to build business successfully in the future years, we must restore confidence in existing banks and in the banking profession, and cooperate with state and national government bodies in regulating future banking operations"

*(From an address before the recent
Financial Advertisers Association Con-
vention in New York.)*

turn. Also there is not the slightest worry about the safety or solvency of the banks."

Distrust

Assume that confidence in the solvency of banks has been restored, recent banking history has caused a great deal of distrust of bankers. The most damaging factor of all has been newspaper and magazine comment coming as a result of investigations of various kinds that have



W. E. BROCKMAN

been made in connection with banks and security houses. Fuel has been added to the fire as a result of hearings held by Congress in Washington. More recently the Detroit hearings have aroused public opinion in distrust.

If we, as bankers, are to build business successfully in the future years, we must restore confidence in existing banks and in the banking profession and cooperate with state and government bodies in regulating future banking operations.

The Glass Bill

Far-reaching in its effect upon the development of business are features of the Glass Banking Bill. They affect the large and small banks. I shall speak first mainly from the standpoint of the relatively small bank in cities outside of the larger metropolitan centers. Let us consider now what changes must be made in soliciting bank accounts. It is fair to assume that the large corporation accounts will be solicited in practically the same manner as in the past. The size of the bank, the location, its ability to render service, its security and stability, will be the determining factors to be considered by a corporation in placing its deposits.

When it comes to the solicitation of small accounts and savings, the problem will be somewhat different. Preliminary figures disclose the fact that approximately 96.5 per cent of all the bank depositors in the country will have their deposits completely guaranteed under the Glass Bill. In other words, only about 3½ per cent of the depositors have more than \$2,500 in the bank.*

If these figures are accurate, the small bank that has advertised "safety" will have to find another selling point. In my

(Turn to page 27, please)

* 23.7 per cent deposits.

\$10,000 to \$50,000 represents 1 per cent of depositors and 44.6 per cent of deposits.

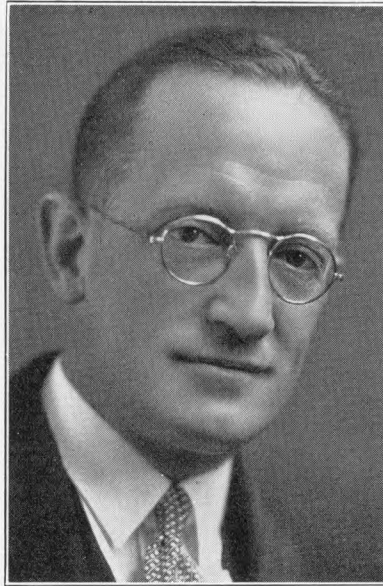
Acme Interest Tables

Days	10000	20000	30000	40000	50000	60000	70000	80000	90000
86	013139	026278	039417	052556	065694	078833	091972	105111	118250
87	013292	026583	039875	053167	066458	079750	093042	106333	119625
88	013444	026889	040333	053778	067222	080667	094111	107556	121000
89	013597	027194	040792	054389	067986	081583	095181	108778	122375
90	013750	027500	041250	055000	068750	082500	096250	110000	123750
91	013903	027806	041708	055611	069514	083417	097319	111222	125125
92	014056	028111	042167	056222	070278	084333	098389	112444	126500
93	014208	028417	042625	056833	071042	085250	099458	113667	127875
94	014361	028722	043083	057444	071806	086167	100528	114889	129250
95	014514	029028	043542	058056	072569	087083	101597	116111	130625
96	014667	029333	044000	058667	073333	088000	102667	117333	132000
97	014819	029639	044458	059278	074097	088917	103736	118556	133375
98	014972	029944	044917	059889	074861	089833	104806	119778	134750
99	015125	030250	045375	060500	075625	090750	105875	121000	136125
100	015278	030556	045833	061111	076389	091667	106944	122222	137500
101	015431	030861	046292	061722	077153	092583	108014	123444	138875
102	015583	031167	046750	062333	077917	093500	109083	124667	140250
103	015736	031472	047208	062944	078681	094417	110153	125889	141625
104	015889	031778	047667	063556	079444	095333	111222	127111	143000
105	016042	032083	048125	064167	080208	096250	112292	128333	144375
106	016194	032389	048583	064778	080972	097167	113361	129556	145750
107	016347	032694	049042	065389	081736	098083	114431	130778	147125
108	016500	033000	049500	066000	082500	099000	115500	132000	148500
109	016653	033306	049958	066611	083264	099917	116569	133222	149875
110	016806	033611	050417	067222	084028	100833	117639	134444	151250
111	016958	033917	050875	067833	084792	101750	118708	135667	152625
112	017111	034222	051333	068444	085556	102667	119778	136889	154000
113	017264	034528	051792	069056	086319	103583	120847	138111	155375
114	017417	034833	052250	069667	087083	104500	121917	139333	156750
115	017569	035139	052708	070278	087847	105417	122986	140556	158125
116	017722	035444	053167	070889	088611	106333	124056	141778	159500
117	017875	035750	053625	071500	089375	107250	125125	143000	160875
118	018028	036056	054083	072111	090139	108167	126194	144222	162250
119	018181	036361	054542	072722	090903	109083	127264	145444	163625
120	018333	036667	055000	073333	091667	110000	128333	146667	165000
121	018486	036972	055458	073944	092431	110917	129403	147889	166375
122	018639	037278	055917	074556	093194	111833	130472	149111	167750
123	018792	037583	056375	075167	093958	112750	131542	150333	169125
124	018944	037889	056833	075778	094722	113667	132611	151556	170500
125	019097	038194	057292	076389	095486	114583	133681	152778	171875
126	019250	038500	057750	077000	096250	115500	134750	154000	173250
127	019403	038806	058208	077611	097014	116417	135819	155222	174625
128	019556	039111	058667	078222	097778	117333	136889	156444	176000
129	019708	039417	059125	078833	098542	118250	137958	157667	177375
130	019861	039722	059583	079444	099306	119167	139028	158889	178750
131	020014	040028	060042	080056	100069	120083	140097	160111	180125
132	020167	040333	060500	080667	100833	121000	141167	161333	181500
133	020319	040639	060958	081278	101597	121917	142236	162556	182875
134	020472	040944	061417	081889	102361	122833	143306	163778	184250
135	020625	041250	061875	082500	103125	123750	144375	165000	185625
136	020778	041556	062333	083111	103889	124667	145444	166222	187000
137	020931	041861	062792	083722	104653	125583	146514	167444	188375
138	021083	042167	063250	084333	105417	126500	147583	168667	189750
139	021236	042472	063708	084944	106181	127417	148653	169889	191125
140	021389	042778	064167	085556	106944	128333	149722	171111	192500
141	021542	043083	064625	086167	107708	129250	150792	172333	193875
142	021694	043389	065083	086778	108472	130167	151861	173556	195250
143	021847	043694	065542	087389	109236	131083	152931	174778	196625
144	022000	044000	066000	088000	110000	132000	154000	176000	198000
145	022153	044306	066458	088611	110764	132917	155069	177222	199375
146	022306	044611	066917	089222	111528	133833	156139	178444	200750
147	022458	044917	067375	089833	112292	134750	157208	179667	202125
148	022611	045222	067833	090444	113056	135667	158278	180889	203500
149	022764	045528	068292	091056	113819	136583	159347	182111	204875
150	022917	045833	068750	091667	114583	137500	160417	183333	206250
151	023069	046139	069208	092278	115347	138417	161486	184556	207625
152	023222	046444	069667	092889	116111	139333	162556	185778	209000
153	023375	046750	070125	093500	116875	140250	163625	187000	210375
154	023528	047056	070583	094111	117639	141167	164694	188222	211750
155	023681	047361	071042	094722	118403	142083	165764	189444	213125
156	023833	047667	071500	095333	119167	143000	166833	190667	214500
157	023986	047972	071958	095944	119931	143917	167903	191889	215875
158	024139	048278	072417	096556	120694	144833	168972	193111	217250
159	024292	048583	072875	097167	121458	145750	170042	194333	218625
160	024444	048889	073333	097778	122222	146667	171111	195556	220000
161	024597	049194	073792	098389	122986	147583	172181	196778	221375
162	024750	049500	074250	099000	123750	148500	173250	198000	222750
163	024903	049806	074708	099611	124514	149417	174319	199222	224125
164	025056	050111	075167	100222	125278	150333	175389	200444	225500
165	025208	050417	075625	100833	126042	151250	176458	201667	226875
166	025361	050722	076083	101444	126806	152167	177528	202889	228250
167	025514	051028	076542	102056	127569	153083	178597	204111	229625
168	025667	051333	077000	102667	128333	154000	179667	205333	231000
169	025819	051639	077458	103278	129097	154917	180736	206556	232375
170	025972	051944	077917	103889	129861	155833	181806	207778	233750
171	026125	052250	078375	104500	130625	156750	182875	209000	235125
172	026278	052556	078833	105111	131389	157667	183944	210222	236500
173	026431	052861	079292	105722	132153	158583	185014	211444	237875
174	026583	053167	079750	106333	132917	159500	186083	212667	239250
175	026736	053472	080208	106944	133681	160417	187153	213889	240625
176	026889	053778	080667	107556	134444	161333	188222	215111	242000
177	027042	054083	081125	108167	135208	162250	189292	216333	243375
178	027194	054389	081583	108778	135972	163167	190361	217556	244750
179	027347	054694	082042	109389	136736	164083	191431	218778	246125
180	027500	055000	082500	110000	137500	165000	192500	220000	247500
7 mos.	032083	064167	096250	128333	160417	192500	224583	256667	288750
8 mos.	036667	073333	110000	146667	183333	220000	256667	293333	330000
9 mos.	041250	082500	123750	165000	206250	247500	288750	330000	371250
10 mos.	045833	091667	137500	183333	229167	275000	320833	366667	412500
11 mos.	050417	100833	151250	201667	252083	302500	352917	403333	453750
12 mos.	055000	110000	165000	220000	275000	330000	385000	440000	495000

6 1/2 %

Days	10000	20000	30000	40000	50000	60000	70000	80000	90000
1	000181	000361	000542	000722	000903	001083	001264	001444	001625
2	000361	000722	001083	001444	001806	002167	002528	002889	003250
3	000542	001083	001625	002167	002708	003250	003792	004333	004875
4	000722	001444	002167	002889	003611	004333	005056	005778	006500
5	000903	001806	002708	003611	004514	005417	006319	007222	008125
6	001083	002167	003250	004333	005417	006500	007583	0086	

"I Have a Feeling That Savings Will Assume a New Importance With the Years. Thrift and the Need for a Cash Reserve Will Always Exist"



J. M. EASTON

By J. M. EASTON

Manager Advertising and Publicity,
The Northern Trust Co., Chicago

The New Importance of Saving

FOR the past three or four months I have been reading, off-and-on, a thousand page book on "Financial Advertising" written in 1908 by E. St. Elmo Lewis.* I am getting a great store of good from the book. It is comprehensive and thorough and although it is 25 years old its material is recommended to you. The same motives and desires hold today as were present 25 years ago. Human nature has not changed. Only the devices and media have improved through which you and I tell our story to the public we wish to attract.

In his book, Mr. Lewis in speaking of bank advertising makes this observation which has not changed a bit—"If the advertising of a commercial bank is the hardest test of financial advertising" (and it still is), "and if the advertising of a trust company is interesting, the advertising of a savings bank is fascinating." Today that is as true as it was in the yesterday of 1908.

Let us discuss three or four items of mutual interest without giving too much time to the immediate factors which disturb some of us. Let us assume that men and women who want to save and are able to save will always be with us. Let us assume also that our greatest prospects lie in the wide layer of people who want to save, who know they should save yet have never done anything about it. Their habits are fixed—their day to day living does not include an orderly financial program which will find them ready to meet their obligations. They live for today. Tomorrow's needs will be met

*Levey Printing Company, Indianapolis, Indiana

EXCERPTS from an address by Mr. Easton before the Financial Advertisers Convention held last month in New York

somehow. May we also consider in passing those who make up the largest strata of savings depositors—those who are saving for something they wish to possess—for an ambition they purpose to fulfill—for an opportunity they intend to meet.

A Simple Operation

Advertising for savings is a simple operation. Its appeals are all elemental yet the saving instinct is one not easily reached by advertising. Men and women are too involved in the business of satisfying their daily wants to enter into what they may term the "discipline of saving." Yet there are many ways to attract savings to our institutions. Let us assume you and I know how to advertise for accounts, and let us look at what we get in the way of response.

Your savings department is interesting in make-up. It is the bank's most non-selective department. It speaks no common language and has little customer distinction for it is made up of all classes and kinds. It deals in one commodity and is perhaps the bank's mechanical department. But it has the greatest possibilities for proper cultivation. In it lie shifting transient factors which too

often fail to grow deep and permanent roots.

The latter being true, to what extent can you and I develop the loyalty of our savings depositors and weld them more closely to us? Should banks ever again be as vulnerable in the future as they have been in the recent past? Should the saving public again be subject to vicious propaganda or be the victims of unscrupulous bankers; if they are prostrated again with fear and suspicion concerning our national medium of exchange will they be prepared any the better for the experience to which banks have been subjected?

To the savers of America who have taken our institutions on confidence and faith should be given an opportunity to know our institution and through a continuing treatment be made to feel the bank is more than a mere depository—that it is an institution of sound management, able direction and of sufficient strength to merit their fullest confidence. Perhaps there is a way to accomplish this to a point where savers will be less inflammable, less receptive to groundless tales. . . .

We make an effort to welcome our new savings depositors. We are anxious that each catches the spirit of The Northern Trust Company, knows our history, is acquainted with all of our facilities. Thus a new savings customer is given, at the time his account is opened, a handsome catalog which describes briefly and illustrates the various departments of the bank. A few days later he receives a signed letter from the president thank-

(Turn to page 28, please)

Northwestern Banker October 1933

Acme Interest Tables

Days	10000	20000	30000	40000	50000	60000	70000	80000	90000
8	001444	002889	004333	005778	007222	008667	010111	011556	013000
9	001625	003250	004875	006500	008125	009750	011375	013000	014625
10	001806	003611	005417	007222	009028	010833	012639	014444	016250
11	001986	003972	005958	007944	009931	011917	013903	015889	017875
12	002167	004333	006500	008667	010833	013000	015167	017333	019500
13	002347	004694	007042	009389	011736	014083	016431	018778	021125
14	002528	005056	007583	010111	012639	015167	017694	020222	022750
15	002708	005417	008125	010833	013542	016250	018958	021667	024375
16	002889	005778	008667	011556	014444	017333	020222	023111	026000
17	003069	006139	009208	012278	015347	018417	021486	024556	027625
18	003250	006500	009750	013000	016250	019500	022750	026000	029250
19	003431	006861	010292	013722	017153	020583	024014	027444	030875
20	003611	007222	010833	014444	018056	021667	025278	028889	032500
21	003792	007583	011375	015167	018958	022750	026542	030333	034125
22	003972	007944	011917	015889	019861	023833	027806	031778	035750
23	004153	008306	012458	016611	020764	024917	029069	033222	037375
24	004333	008667	013000	017333	021667	026000	030333	034667	039000
25	004514	009028	013542	018056	022569	027083	031597	036111	040625
26	004694	009389	014083	018778	023472	028167	032861	037556	042250
27	004875	009750	014625	019500	024375	029250	034125	039000	043875
28	005056	010111	015167	020222	025278	030333	035389	040444	045500
29	005236	010472	015708	020944	026181	031417	036653	041889	047125
30	005417	010833	016250	021667	027083	032500	037917	043333	048750
31	005597	011194	016792	022389	027986	033583	039181	044778	050375
32	005778	011556	017333	023111	028889	034667	040444	046222	052000
33	005958	011917	017875	023833	029792	035750	041708	047667	053625
34	006139	012278	018417	024556	030694	036833	042972	049111	055250
35	006319	012639	018958	025278	031597	037917	044236	050556	056875
36	006500	013000	019500	026000	032500	039000	045500	052000	058500
37	006681	013361	020042	026722	033403	040083	046764	053444	060125
38	006861	013722	020583	027444	034306	041167	048028	054889	061750
39	007042	014083	021125	028167	035208	042250	049292	056333	063375
40	007222	014444	021667	028889	036111	043333	050556	057778	065000
41	007403	014806	022208	029611	037014	044417	051819	059222	066625
42	007583	015167	022750	030333	037917	045500	053083	060667	068250
43	007764	015528	023292	031056	038819	046583	054347	062111	069875
44	007944	015889	023833	031778	039722	047667	055611	063556	071500
45	008125	016250	024375	032500	040625	048750	056875	065000	073125
46	008306	016611	024917	033222	041528	049833	058139	066444	074750
47	008486	016972	025458	033944	042431	050917	059403	067889	076375
48	008667	017333	026000	034667	043333	052000	060667	069333	078000
49	008847	017694	026542	035389	044236	053083	061931	070778	079625
50	009028	018056	027083	036111	045139	054167	063194	072222	081250
51	009208	018417	027625	036833	046042	055250	064458	073667	082875
52	009389	018778	028167	037556	046944	056333	065722	075111	084500
53	009569	019139	028708	038278	047847	057417	066986	076556	086125
54	009750	019500	029250	039000	048750	058500	068250	078000	087750
55	009931	019861	029792	039722	049653	059583	069514	079444	089375
56	010111	020222	040444	040444	050556	060467	070778	080689	091000
57	010292	020583	040875	041167	051458	061375	072072	082333	092625
58	010472	020944	041417	041889	052361	062333	073306	083778	094250
59	010653	021306	041958	042611	053264	063333	074369	085222	095875
60	010833	021667	042500	043333	054167	064300	075459	086778	097500
61	011014	022028	043042	044056	055069	065267	076597	088333	099125
62	011194	022389	043583	044778	055972	066167	077736	089556	100750
63	011375	022750	044125	045500	056875	067100	078925	091000	102375
64	011556	023111	044667	046222	057778	068000	080089	092444	104000
65	011736	023472	045208	046944	058681	069000	081253	093889	105625
66	011917	023833	045750	047667	059583	070000	082417	095333	107250
67	012097	024194	046292	048389	060486	071000	083461	096778	108875
68	012278	024556	046833	049111	061389	072000	084544	098222	110500
69	012458	024917	047375	049833	062292	073000	085628	099667	112125
70	012639	025278	047917	050556	063194	074000	086711	101111	113750
71	012819	025639	048458	051278	064097	075000	087794	102556	115375
72	013000	026000	049000	052000	065000	076000	088877	104000	117000
73	013181	026361	049542	052722	065903	077000	089961	105444	118625
74	013361	026722	050083	053444	066806	078000	091044	106889	120250
75	013542	027083	050625	054167	067708	079000	092128	108333	121875
76	013722	027444	051167	054889	068611	080000	093211	109778	123500
77	013903	027806	051708	055611	069514	081000	094294	111222	125125
78	014083	028167	052250	056333	070417	082000	095377	112667	126750
79	014264	028528	052792	057056	071319	083000	096461	114111	128375
80	014444	028889	053333	057778	072222	084000	097544	115556	130000
81	014625	029250	053875	058500	073125	085000	098628	117000	131625
82	014806	029611	054417	059222	074028	086000	099711	118444	133250
83	014986	029972	054958	059944	074931	087000	100794	119889	134875
84	015167	030333	055500	060667	075833	088000	101877	121333	136500
85	015347	030694	056042	061389	076736	089000	102961	122778	138125
86	015528	031056	056583	062111	077639	090000	104044	124222	139750
87	015708	031417	057125	062833	078542	091000	105128	125667	141375
88	015889	031778	057667	063556	079444	092000	106211	127111	143000
89	016069	032139	058208	064278	080347	093000	107294	128556	144625
90	016250	032500	058750	065000	081250	094000	108377	130000	146250
91	016431	032861	059292	065722	082153	095000	109461	131444	147875
92	016611	033222	059833	066444	083056	096000	110544	132889	149500
93	016792	033583	060375	067167	083958	100750	117542	134333	151125
94	016972	033944	060917	067889	084861	101833	118625	135778	152750
95	017153	034306	061458	068611	085764	102917	120069	137222	154375
96	017333	034667	062000	069333	086667	104000	121333	138667	156000
97	017514	035028	062542	070056	087569	105083	122597	140111	157625
98	017694	035389	063083	070778	088472	106167	123861	141556	159250
99	017875	035750	063625	071500	089375	107250	125125	143000	160875
100	018056	036111	064167	072222	090278	108333	126389	144444	162500
101	018236	036472	064708	072944	091181	109417	127653	145889	164125
102	018417	036833	065250	073667	092083	110500	128917	147333	165750
103	018597	037194	065792	074389	092986	111583	130181	148778	167375
104	018778	037556	066333	075111	093889	112667	131444	150222	169000
105	018958	037917	066875	075833	094792	113750	132708	151667	170625
106	019139	038278	067417	076556	095694	114833	133972	153111	172250
107	019319	038639	067958	077278	096597	115917	135236	154556	173875
108	019500	039000	068500	078000	097500	117000	136500	156000	175500
109	019681	039361	069042	078722	098403	118083	137764	157444	177125
110	019861	039722	069583	079444	099306	119167	139028	158889	178750
111	020042	040083	070125	080167	100208	120250	140292	160333	180375
112	020222	040444	070667	080889	101111	121333	141556	161778	182000
113	020403	040806	071208	081611	102014	122417	142819	163222	183625
114	020583	041167	071750	082333	102917	123500	144083	164667	185250
115	020764	041528	072292	083056	103819	124583	145347	166111	186875
116	020944	041889	072833	083778	104722	125667	146611	167556	188500
117	021125	042250							

Mankato Entertains Minnesota Bankers

GROUP TWO of the Minnesota Bankers Association met at the Mankato Golf Club, September 15th, with a splendid attendance. One hundred and thirty bankers representing 111 banks in 14 southwestern Minnesota counties were in attendance.

Interest was manifest in all speeches and seldom have bankers taken more interest in every word spoken than at this meeting. Golf was on the program for 3:30 but there was no golf played, as every one seemed willing to forego golf to get all he could out of the meeting.

Great interest was shown in the address by George Susens, secretary of the state association when he reviewed the highlights and operation of the deposit guaranty bill.

Mr. Susens had just returned from attending the A. B. A. meeting held in Chicago and was well qualified to interpret the new legislation. He also explained what effect he thought this new legislation would have on banking in the future.

He emphasized that the guarantee of bank deposits would go into effect January 1st whether we liked it or not. That there was no way to modify or repeal the bill now and therefore we may as well prepare for it. He said after all it may not be so bad and it would hardly be fair to cite past experience of deposit guarantee in some states that have tried it, in compar-

Group Two of Minnesota Bankers Association Holds Annual Meeting

ing it with the present set-up. This is on a much larger scale and it must be remembered that banks taken in now are clean and their assets should increase in value as business gets better. On the other hand where states have had deposit guarantee, the guarantee was usually created when prices were fairly high and practically all banks were let in and their deposits guaranteed regardless of their condition. Again, a single state may have a crop failure for a year or two and conditions in that state would be bad and may lead to the failure of a number of banks. The burden becomes too great for the remaining banks in a single state but on a national scale the effects of trouble in one state would hardly be noticed. Mr. Susens also said that the guarantee of deposits may return a great deal of money to the banks from postal savings. He said, of course this would not increase the deposits as most of this money is already in the banks, but it then would not be necessary for the bank to have their best assets up for security and their money in low yield bonds.

Other speakers on the program were William Duncan, Jr., of Mankato, president of the Minnesota Bankers Associa-

tion; Elmer A. Benson, State Commissioner of Banks; and R. E. Jones of Wabasha, manager of the Minnesota Cooperative Wool Growers Association.

Edwin Brickson, president of the Adrian State Bank, led a round table discussion, and E. W. Swanson substituted for J. N. Peyton, chairman of the Federal Reserve Board.

Officers elected for the coming year were C. H. Keller, Lake Chrystal, president; F. A. Timm, Balaton, vice president; John Bondhus, Heron Lake, secretary-treasurer; and E. J. Feldman, Pipestone, and V. A. Batzner, Mankato, members of the executive committee.

Addresses F. A. A.

W. E. Brockman, assistant secretary of the Northwest Bancorporation, attended the Public Relations Conference held by the Financial Advertisers' Association in New York, September 10th to 14th. At this convention Mr. Brockman made three addresses on the following topics:

1. Developing New Business as a Result of Economic Changes and Changes in the Banking System.
2. Branch Banking Legislation.
3. The American System of Banking in the Light of American Economies.



The Mankato Golf Club Where Group Two Bankers Convened

Acme Interest Tables

Days	10000	20000	30000	40000	50000	60000	70000	80000	90000
122	0222028	0440566	0660833	0881111	1101399	1321677	1541954	1762232	1982510
123	0222028	0444177	0666255	0888333	1110422	1332550	1554588	1776626	1998754
124	0223389	0447788	0671677	0895566	1119444	1343333	1567222	1791111	2015000
125	0225699	0451399	0677088	0902777	1128444	1354411	1579866	1805556	2031250
126	0227500	0455000	0682500	0910000	1137500	1365000	1592500	1820000	2047500
127	0229311	0458611	0687922	0917222	1146533	1375833	1605144	1834444	2063750
128	0231111	0462222	0693333	0924444	1155566	1386667	1617778	1848889	2080000
129	0232922	0465833	0698755	0931677	1164588	1397500	1630442	1863333	2096250
130	0234722	0469444	0704177	0938889	1173611	1408333	1643006	1877778	2112500
131	0236533	0473066	0709500	0946111	1182644	1419177	1655669	1892222	2128750
132	0238333	0476677	0715000	0953333	1191677	1430000	1668333	1906667	2145000
133	0240144	0480288	0720422	0960566	1200699	1440833	1680997	1921111	2161250
134	0241944	0483899	0725833	0967778	1209722	1451677	1693611	1935556	2177500
135	0243755	0487500	0731255	0975000	1218755	1462500	1706250	1950000	2193750
136	0245566	0491111	0736677	0982222	1227778	1473333	1718889	1964444	2210000
137	0247366	0494722	0742088	0989444	1236811	1484177	1731533	1978889	2226250
138	0249177	0498333	0747500	0996667	1245833	1495000	1744177	1993333	2242500
139	0250977	0501944	0752922	1003889	1254866	1505833	1756811	2007778	2258750
140	0252778	0505566	0758333	1011111	1263889	1516667	1769444	2022222	2275000
141	0254588	0509177	0763755	1018333	1272922	1527500	1782088	2036667	2291250
142	0256389	0512788	0769177	1025566	1281944	1538333	1794722	2051111	2307500
143	0258199	0516399	0774588	1032778	1290977	1549177	1807366	2065556	2323750
144	0260000	0520000	0780000	1040000	1300000	1560000	1820000	2080000	2340000
145	0261811	0523611	0785422	1047222	1309033	1570833	1832644	2094444	2356250
146	0263611	0527222	0790833	1054444	1318066	1581677	1845288	2108889	2372500
147	0265422	0530833	0796255	1061677	1327088	1592500	1857922	2123333	2388750
148	0267222	0534444	0801677	1068889	1336111	1603333	1870566	2137778	2405000
149	0269033	0538066	0807088	1076111	1345144	1614177	1883199	2152222	2421250
150	0270833	0541677	0812500	1083333	1354177	1625000	1895833	2166667	2437500
151	0272644	0545288	0817922	1090566	1363199	1635833	1908444	2181111	2453750
152	0274444	0548899	0823333	1097778	1372222	1646667	1921111	2195556	2470000
153	0276255	0552500	0828755	1105000	1381255	1657500	1933750	2210000	2486250
154	0278066	0556111	0834177	1112222	1390288	1668333	1946399	2224444	2502500
155	0279866	0559722	0839588	1119444	1399311	1679177	1959033	2238889	2518750
156	0281677	0563333	0845000	1126677	1408333	1690000	1971677	2253333	2535000
157	0283477	0566944	0850422	1133889	1417366	1700833	1984311	2267778	2551250
158	0285288	0570566	0855833	1141111	1426399	1711677	1996944	2282222	2567500
159	0287088	0574177	0861255	1148333	1435422	1722500	2009588	2296667	2583750
160	0288889	0577788	0866667	1155566	1444444	1733333	2022222	2311111	2600000
161	0290699	0581399	0872088	1162778	1453477	1744177	2034866	2325556	2616250
162	0292500	0585000	0877500	1170000	1462500	1755000	2047500	2340000	2632500
163	0294311	0588611	0882922	1177222	1471533	1765833	2060144	2354444	2648750
164	0296111	0592222	0888333	1184444	1480566	1776667	2072778	2368889	2665000
165	0297922	0595833	0893755	1191677	1489588	1787500	2085422	2383333	2681250
166	0299722	0599444	0899177	1198889	1498611	1798333	2098066	2397778	2697500
167	0301533	0603066	0904588	1206111	1507644	1809177	2110699	2412222	2713750
168	0303333	0606677	0910000	1213333	1516677	1820000	2123333	2426667	2730000
169	0305144	0610288	0915422	1220566	1525699	1830833	2135977	2441111	2746250
170	0306944	0613899	0920833	1227778	1534722	1841677	2148611	2455556	2762500
171	0308755	0617500	0926255	1235000	1543755	1852500	2161250	2470000	2778750
172	0310566	0621111	0931677	1242222	1552788	1863333	2173889	2484444	2795000
173	0312366	0624722	0937088	1249444	1561811	1874177	2186533	2498889	2811250
174	0314177	0628333	0942500	1256667	1570833	1885000	2199177	2513333	2827500
175	0315977	0631944	0947922	1263889	1579866	1895833	2211811	2527778	2843750
176	0317788	0635566	0953333	1271111	1588889	1906667	2224444	2542222	2860000
177	0319588	0639177	0958755	1278333	1597922	1917500	2237088	2556667	2876250
178	0321399	0642788	0964177	1285566	1606944	1928333	2249722	2571111	2892500
179	0323199	0646399	0969588	1292778	1615977	1939177	2262366	2585556	2908750
180	0325000	0650000	0975000	1300000	1625000	1950000	2275000	2600000	2925000
7 mos.	0379177	0758333	1137500	1516677	1995833	2275000	2654177	3133333	3412500
8 mos.	0433333	0866667	1300000	1733333	2166667	2600000	3033333	3466667	3900000
9 mos.	0487500	0975000	1462500	1950000	2437500	2925000	3412500	3900000	4387500
10 mos.	0541677	1083333	1625000	2166667	2708333	3250000	3709167	4333333	4875000
11 mos.	0595833	1191677	1787500	2383333	2979177	3575000	4170833	4766667	5362500
12 mos.	0650000	1300000	1950000	2600000	3250000	3900000	4550000	5200000	5850000

7 per cent and 8 per cent tables will appear in the November issue of The Northwestern Banker.

Christie Heads Investment Bankers

Robert E. Christie, Jr., of Dillon, Read & Co., New York, has been chosen by the board of governors of the Investment Bankers Association of America as president of the association for the year 1933-34, it was announced at the association's office. Nomination by the board of governors is subject to election at the association's forthcoming annual convention October 28th to November 1st, but as the official selection by the board has always been approved by the convention, nomination is considered equivalent to election. Mr. Christie will succeed Frank M. Gordon of the First National Bank of Chicago.

Mr. Christie was born in New York, November 20, 1893. He attended private schools in New York and Princeton University, class of 1915. During the World



ROBERT E. CHRISTIE, JR.

War he was a captain in the air service of the army. As an aide to John D. Ryan, Under-Secretary of War, he accompanied the Secretary of War and the Under-Secretary of War in their inspection of the A. E. F. in the summer of 1918.

In 1919 Mr. Christie became associated with William A. Read & Co., which firm became Dillon, Read & Co. in 1921. He was admitted to membership in Dillon, Read & Co. January 1, 1927. Nomination of Mr. Christie, it was said at the association's office, is in recognition of his many years of work in the interest of the investment banking business. He has been a member of the board of governors of the Investment Bankers Association since 1930. For the past two years he has been chairman of the association's business problems committee and of its New York group. He has also served on other important committees of the association and the New York Group.

Your President Says:

Remarks of F. M. Law, President First National Bank, Houston, Texas, on Being Inducted Into Office as President of the American Bankers Association

(See Cover Photo)

THE number of unlicensed banks throughout the country including those which are either closed or restricted has been very materially reduced in recent months and the deposits in such banks represent a total which is less than seven per cent of total deposits in licensed banks. There is reason to believe that a large percentage of these unlicensed banks will be reorganized before New Year's day. When they are reopened, it will be on a sound basis. The fourteen thousand or more banks now operating on an unrestricted basis have gone far in the matter of setting their own houses in order, each for itself. In my opinion, very few bankers who are actively engaged in the banking business today will in the course of their lifetime forget the lessons taught by the past four years. Every man of us should be, and doubtless is a better banker by reason of these distressing experiences. Most, if not all of us know better than ever before the requisites of good banking. We know now, if we never knew before, the meaning of sound policies and the interpretation of them in the right running of a bank, and especially with regard to the use of depositors' money in the making of loans. It is perhaps not much of an over-statement to say that the average banker in this country today knows how to be a good banker, but there still remain two big ifs in each equation. He knows how, and he will run a good bank and a successful bank *if* he has the courage to live up to his own convictions and experience. The second if simply is—If the banker, knowing enough and with sufficient courage, will *work* hard enough to master thoroughly the affairs of his own shop. Ability, even with experience added, is not enough. It must be accompanied by a lot of courage and a prodigious amount of hard work. A synonym for hard work in this connection is digging. There *may be* good bankers who lack courage or energy, but they are the exception and in such cases they are good *in spite of* these weaknesses.

"The new administration of the American Bankers Association, on this its first day in office, pledges the government at Washington its whole hearted and loyal support in the hereulean efforts that are just now in the making to put more people to work and to raise wage levels. It is sought, of course, to increase mass buying power. The government is working dili-

gently to bring about these results which we all so earnestly desire, and I feel certain that in this emergency every member of the American Bankers Association, regardless of creed or party, is not only ready, but eager to cooperate to the end that the measures now under way may be made a success. The people of the country seem to be practically a unit in their response to the plans as proposed by the President of the United States. With your approval, as your President, I shall announce to Mr. Roosevelt that the bankers of this association are going to do everything permissible to good bankers to make the National Recovery Act work so that

it will become a blessing to every man, woman and child under the American flag. It will take time, of course, and this fact should be stressed so that people will not become discouraged when good results are not immediate.

"When the new congress meets in January it is generally believed that there will be some new banking legislation. I earnestly hope that the thoughtful and patriotic bankers of the country will make a real contribution in the working out and perfecting of such amendments to the Banking Act as may be necessary. The country has a right to expect as much from us. We must be content in this nation with nothing less than the best banking system that the human mind can devise. The best talent in the banking world must lend itself freely to the task. It goes without saying that in such efforts grab and greed and selfishness will have no place. The goal is to provide banking legislation which will enable and encourage banks to operate in such manner as to best serve the people as a whole. I, for one, am confident of the result."

NEWS AND VIEWS OF THE BANKING WORLD By Clifford De Puy

I WAS greatly saddened last month to hear of the death of FRANCIS H. SISSON, vice president of the Guaranty Trust Company, and past president of the A. B. A. I had known him for years and heard him deliver his excellent address before the Chicago Convention, and he seemed in excellent health. Obviously, 1933, the most trying banking year in our life time, must have taken much of his strength and physical reserve, and his sudden heart attack was the result. He will be sincerely missed.

TED COOK in his well known column says, "One of the distinguished Britishers invited by Canada to survey her banking methods is a former member of the Royal Commission on Lunacy and Mental Disorders. Those Canadians certainly know what they're about." And for once I think I, also, agree with the Canadians.

A. S. BAGNALL, assistant cashier of the Live Stock National Bank of Chicago, is rightly proud of the fact that 76 per cent of their deposits consist of (1) cash, (2) short term Government, (3) marketable bonds, and (4) 90 day commercial paper.

H. W. KOENEKE, Bank Commissioner of Kansas, says it is false reasoning to assume that if the Postal Savings (Deposits \$1,177,625,132) Law was repealed that this money would return to the banks. The money is already there, having been redeposited by the U. S. Government and protected by government bonds put up as collateral by the banks. Most of the money would otherwise go into hiding, is the belief of Mr. Koeneke.

S. E. COUILLETTE, vice president of the Merchants National Bank of Cedar Rapids, arrived early at the A. B. A. Convention, and to see the Fair (both blondes and brunettes). He was also very much interested in seeing Sally Rand, because he thought she was a cousin of "Remington-Rand," and especially because it had been a long time since he had seen a FAN—at least that is what he told me.

I CHATTED with ARTHUR REYNOLDS in the lobby at the Stevens during the A. B. A. He is now vice chairman of the Board of the Bank of America at Los Angeles. He tells the story of the newcomer who after being driven 50 miles

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in each direction or more, from Los Angeles, and being informed that he was still in the city, asked "Where is the outlying section" and the local booster said "Why no one can outlie Los Angeles."

F. A. IRISH, vice president of the First National Bank and Trust Company of Fargo, North Dakota, and treasurer of the Greater North Dakota Association, spread the gospel of the "busy bee" at the A. B. A. because the average colony of North Dakota bees will yield 120 to 170 pounds of honey in a season, which is three times the United States average. "How doth the little busy bee improve each shining hour," is the title of a pamphlet which Mr. Irish gave to the delegates and which contained this "Bee-Banking" philosophy:

"When business is poor and loans are hard to collect, remember the honey bee. Each clover blossom it visits contains less than one-eighth of a grain of sugar; 7,000 grains are required to make a pound of honey; to collect that many grains the bee must visit 56,000 blossoms and insert its proboscis separately into each flower tube, of which there are about 60 to a clover head.

"In performing that operation 56,000 multiplied by 60, or 3,360,000 times, the bee gets only enough nectar for one pound of honey—and then doesn't get the honey! So what the hell are you crabbin' about!"

S. ENATOR ARTHUR H. VANDENBERG of Michigan, addressed the Thirty-second National Association of Supervisors of State Banks at Chicago, on "Federal Banking Legislation," and upheld the Guaranty of Deposit feature of the new banking bill, especially the guaranteeing of all deposits up to \$2,500. He believes we could eliminate the other guaranty phases of the bill and allow only this one to remain as \$2,500 represents the average bank balance of 96.5 per cent of our 40,000,000 deposits, although only 23.5 per cent of our \$43,000,000,000 of deposits.

The Senator believes that liquidity has ruined banking expansion and that the guaranty plan will release liquidity requirements. He said that "a liquidity rule is murderous and solvency is the long range view. On March 3rd we said U. S. A. is only worth what it would bring under the hammer—a villainous view."

He also believes that Guaranty of Deposits or Postal Savings—one or the other—faces the U. S. A.

As an opponent of the guaranty idea, because it has never worked yet, and is false in theory and practice, I would rather limit the plan to \$2,500 only as a permanent feature, and thus reach the

(Turn to page 26, please)

Bonds and Investments

Long Term Credit--- a World Problem

"Every depression is followed by a demand for long-term credit as capital investments. Such credit will start the wheels of industry turning. We have now reached that point in this depression. We will not go far on the road to recovery until means for meeting this demand is made available."

By FRANK M. GORDON

President, Investment Bankers Association



FRANK M. GORDON

EFFECTIVE, constructive operation of long-term credit is the foremost world problem today. The best description that I have seen of the depression, which we are all striving to circumvent, was given some months ago by a distinguished educator. He said that the depression was a mountain of fixed debt on one side and a violently fluctuating price structure on the other. We have seen a considerable improvement in commodity prices and debt redemption or adjustment. We hope for still greater improvement, but the description sticks in my mind because it illustrates the fundamental importance of your work and mine, that of cooperating in business recovery through sound and constructive uses of long-term credit.

Our long experience as individuals of our respective groups, of the supervisors and the supervised, has demonstrated, I believe beyond a doubt, that we must continue to be, as in the past, the closest of co-workers to the common purpose of preventing fraud in the creation and public distribution of securities, and in furthering the sound and productive uses of credit.

The securities commissioner has a public duty to perform. To perform that duty well he must be thorough, and to be thorough he sometimes becomes inconvenient. The investment banker, though engaged for profit in a private business, also has certain public duties, one of which is to submit to reasonable inconvenience in the interest of the general public welfare. When, however, this inconvenience goes beyond the point of reasonableness, to

needless requirements affecting only private affairs, then public duty ceases on the part of both the commissioner and the investment banker.

British Companies Act

It is needless to repeat the story of the origin and development of legislation cal-

THIS ADDRESS was delivered by Mr. Gordon before the recent convention of the National Association of Securities Commissioners in Milwaukee.

culated to suppress fraud and to regulate the sale of securities. It may be well to point out, however, that thus far all securities laws, both here and abroad, have necessarily been a series of legalistic experimentations which even now fail to satisfy. As evidence of this I need only to point to the numerous modifications at practically every session of the legislatures and the frequency with which such laws are supplanted by a new law designed to the same purpose. Legislative committees are now authorized in different jurisdictions to make further surveys and experimentations, in a further effort to find a practical, workable solution. The much-talked-of British Companies Act has gone through several revisions after as many

intensive surveys by high-minded commissions. This law is still a subject of acute controversy in Great Britain, and one of the outstanding legal battles of the day is now being waged around an effort by the British government to extradite and to carry back to that country for trial one of our citizens alleged to have defrauded Englishmen of several millions of dollars. In that instance, and in many others of record, the famed British law did not prevent, although it may yet punish.

The fact that securities laws have not seemed wholly satisfactory does not argue that they are of no value or that such efforts are futile. We all know, and candor calls upon us to assert, that they have accomplished a very great deal in the right direction. The failure to satisfy, however, does argue certain things.

Security Losses

First, that many of the alleged frauds are not frauds at all. It does not follow that because one has lost through an investment that he has been defrauded. The cold facts are that the percentage of losses by security investors is lower than the percentage of losses through investments of holdings in other forms of property such as real estate, farm products, merchandise, etc. One large mercantile establishment alone was compelled, during one year of the existing depression, to charge off from its inventory account a loss of more than six million dollars, by reason of the decline in merchandise values. Can it be said this company was defrauded? Countless real estate holders find their holdings to be worth less than half the amount of

Northwestern Banker October 1933

NO. 3 OF A SERIES INTRODUCING
THE MEMBERS OF OUR ORGANIZATION



MRS. PERINA MOELLER, Secretary

TRAINED in Banking and Investment fields through associations with the Merchants National Bank, Cedar Rapids, and the Iowa National Bank, Des Moines, Mrs. Perina Moeller is the efficient Secretary of Jackley-Wiedman & Company, Des Moines bond house specializing in Iowa Municipals. One of Iowa's most capable business women, Mrs. Moeller brings to her position a charming grace of manner and a becoming modesty.

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their investment, and no complaint of fraud. Yet there is a widespread disposition to attribute all securities losses to some element of fraud.

Secondly, the head line allegations as to losses through the sale of "worthless" securities, which make catchy and interesting reading, are far out of proportion to the actual facts. Those head line figures have progressively increased from year to year notwithstanding all the laws and the efforts of all the commissioners combined. Some such headline estimates for certain periods exceed the total known sales of all securities during the same period. Such statements of course simply cannot be true.

Thirdly, all too much is expected of the edict of law. No law within and by itself ever functioned against the crook or the fraudulent. The weapons authorized by the law, to be effective, must be carried to the doors of the crook and those engaged in practices tending to perpetrate frauds. Regardless of the detailed requirements of a securities law, fraud is never knowingly brought before a commissioner for leisurely inspection.

Fourthly, inexperienced investors unwittingly have been, and are being, led to believe that they may wholly depend upon the state, through its securities commissioner, to do their investment thinking for them. In some jurisdictions this has been pointed to as a menace of the law. To such extent as this menace exists the law defeats its own purpose, and creates its own barrier to satisfactory results.

State Laws

That this failure to satisfy is not attributable to the form of statute or the type of law is evidenced by the fact that in the 47 states with securities laws various forms and types of law exist with no two exactly alike and less than 50 per cent of them very similar. Yet the volume of complaints as to lack of satisfying results is about equal in one jurisdiction to that of another, with modest exceptions. There are losses under all the laws and always will be, but a loss is a loss, while all too frequently loss is regarded as synonymous with fraud.

But how may these laws be made more nearly satisfactory?

Existing laws may and doubtless can be improved both to the end of facilitating legitimate business and to applying the teeth in the law when and where needed. But it is not through these minor changes that the laws will be made to satisfy.

There have been those who advocated granting to the commissioners arbitrary, discretionary power to pass upon a given security offered within a given jurisdiction, upon his or their own judgments of economic worth and that only those of known sound values be offered within the state. It has been argued this would satisfy the needs if not the wishes of the

people. This theory, of course, is based upon the premise that there is at least *one* man who knows the future as well as the past. Aside from the state and federal constitutional inhibitions to any such powers, it is very doubtful if any one equal to the requirements could be found. And woe to that man who would undertake such a task of omniscience, when he makes his inevitable mistake of misjudging the future. Certainly he, and not the law, would then be to blame as unsatisfactory.

Suggested Improvement

To improve the situation, I should like to lay these suggestions before the wealth of practical experience which you commissioners represent:

First, stop trying to legislate against "frauds" which in fact do not exist.

Second, let us hold our consideration to actualities and discard the exaggerated headline estimates of the catch phrase artist.

Third, we should bear in mind that laws are not self-enforcing and that improved results may be had more through increased facilities for applying the provisions now existing than by adding new provisions.

Fourth, clearly the public must learn to assume some of the normal responsibilities that are entailed by the ownership of money or any other form of property and not presume that the state can supply a full measure of common sense to every investor.

Fifth, improve the facilities for applying the policing powers granted under all these laws through added personnel, if needed, to the end of prompt and vigorous activity when and where fraud is evident or strongly suspected.

If these things might be brought about in all probability no new laws would be needed and the provisions of existing laws would serve every purpose.

Federal Law

On March 29th, President Roosevelt sent to Congress his message recommending the enactment of a federal securities law, with which all of you are familiar. He said in part:

"There is, however, an obligation upon us to insist that every issue of new securities to be sold in interstate commerce shall be accompanied by full publicity and information, and that no essentially important element attending the issue shall be concealed from the buying public.

"This proposal adds to the ancient rule of *caveat emptor*, the further doctrine 'let the seller also beware.' It puts the burden of telling the whole truth on the seller. It should give impetus to honest dealing in securities and thereby bring back public confidence.

"The purpose of the legislation I suggest is to protect the public with the least possible interference to honest business."

This message was wholeheartedly ap-

NEW TIMES NEW FINANCING NEW BONDS

ONE of the major services of Polk-Peterson Corporation to Iowa banks and bankers lies in furnishing timely information on all securities. Because of the unusual interest being manifested by banks and bankers today in the new Home Loan Corporation Bonds, we offer below a resumé of outstanding points concerning this new issue.

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Coupon rate—4% or lower.
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Non-optional.
Denominations—\$50, \$100, \$500, \$1,000.
Amount Authorized—\$2,000,000,000.

INVESTMENT FACTORS

1. Interest guaranteed by U. S. Government. (Principal not guaranteed.)
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5. Acceptable as collateral by R. F. C. at 80% of par.
6. Acceptable by twelve Federal Reserve Banks as collateral for loans to member banks.
7. Acceptable at par by Home Owners' Loan Corp. against obligations of its debtors.
8. Special efforts are being made to make bonds eligible as security for trust funds, insurance companies, etc., under various state jurisdictions.

MARKET QUOTATIONS

The market at the present time (Sept. 29, 1933) is quoted 87 bid, 88 asked.

We will be pleased to supply the latest bids and offers at the market, and furnish circulars upon request.

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Northwestern Banker October 1933

proved by the Investment Bankers Association of America and by the country generally. We can all agree on these principles and we welcome them as a basis on which to conduct business.

A bill purporting to embody the principles of the President's message was introduced in Congress on the same day of the message.

At a hearing on the bill before the Committee of Congress on March 31st, the second day following its introduction, I said:

"I wish to assure you that the President's message to Congress, outlining the need for and the objectives to be accomplished by a federal securities law, has the entire approval of our Association, and I am sure, also, that it has the approval of the country at large.

"Our Association tenders its full cooperation without reservations toward a detailed consideration of the provisions of the act to carry out the purposes of the President's message to the end that practicable and workable legislation may result.

"I know of no responsible security dealer who is not eager to see effective laws to prevent and punish fraud and misrepresentation in the sale of securities.

"Such laws are not only in the interest of the public, but also in the interest of those who deal in legitimate securities, and we are therefore thoroughly in accord with the intent of the bill now under consideration."

I stand by that statement.

Hazards in New Law

Unfortunately, the law which finally resulted has had an effect particularly upon

officers and directors of issuing corporations and to some extent upon underwriters apparently not contemplated in the President's message. In any event, the issuance of new securities since the effective date of the law has practically ceased.

It is argued by some that it is the conditions of the times and not the securities law which has dried up the market for new issues. Doubtless this, to some degree, is true. But it is equally evident to those in intimate contact with prospective issuers that the unusual liabilities of the law constitute hazards which officers and directors of corporations decline to assume.

There are those who state that any such fears are wholly unwarranted. Competent and independent legal counsel, however, give legal opinions supporting the fears and give legal reasons therefor. Unfortunately, most of those who insist there are no causes for fear are not legal advisers to issuers or their officers and directors and for the most part have nothing other than their opinion at stake.

Citing only one provision of the law, viz., that of joint and several liability on the part of individuals, parties to the registration and sale of an issue of securities, largely and even wholly dissociated in so far as joint action is concerned. This alone, I submit, is sufficient to cause one to hesitate and justifies fear of unwarranted liability.

Issuers and underwriters are perfectly willing to assume the liabilities incident to their own acts. They must refuse, however, to be responsible for the acts of others. It is unjust to expect any man to assume the sins and liabilities of others.

I need not go further into the provisions

of this law or its current effects on business, which, by all the rules of the game, should now be reviving.

Long Term Credit

The point most important for us to realize in this discussion is the effect of our activities on business in its efforts toward recovery and not the effect on investment bankers. Investment bankers may entirely be eliminated from our discussion; the legitimate interests of industry are considered because investment banking will inevitably advance as business advances.

We are still in the throes of a great depression—and unprecedented in the annals of history. We have had problems to reckon with never before experienced. We have had depressions, it is true, and have pulled out of them as we will pull out of this one. But there are certain fundamental principles which may aid in and hasten the day of recovery.

Every depression we have ever experienced was followed by a demand for long-term credit as capital investments, to start the wheels of industry turning. We have now reached that point in this depression. This economic demand is great and by reason of the piling up of maturities, many of them more than sound, is becoming greater every day. We will not go far on the road to recovery until means for meeting this demand is made available.

That which has made this country great is the men who had the initiative. Civilization has advanced thereby and in proportion thereto. For one hundred and fifty years the business acumen of our people has been the main spring to inventive and industrial achievement. Let's not clutter this path of experience with too many obstacles, but rather leave this initiative, this native acumen, unleashed so long as it is inclined to run in legitimate channels.

That the securities law of 1933 was a major piece of legislation, important to industry, to credit, and to investment banking, is acknowledged by all. That it did not have the deliberate study and thoughtful consideration necessary to major legislation is apparent. Years of study, of research and conscientious effort were expended before the enactment of the Federal Reserve Act. The Glass-Steagall Banking Act was in process of formation and discussion for two years or more. The Securities Law, however, was introduced, enacted and approved within a period of less than two months.

Since the passage of the Federal Securities Law an intensive study has been made of it from every angle by potential issuers of securities, underwriters and their counsel. It is the consensus of those who have made this study that modifications must be made if sound securities are to be issued and sold to the public. There-

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Northwestern Banker October 1933

fore, let us have the constructive help of all who, by experience or training, can contribute to the erection of a thoroughly workable piece of legislation which will carry out the purposes expressed by President Roosevelt, viz., "Protect the public with the least possible interference to honest business."

We welcome sound and workable supervision.

Regular Dividend

The board of directors of The Northern Trust Company, Chicago, declared the regular quarterly dividend of \$4.50 payable October 2nd to stockholders of record September 19th. This is at the rate of \$18 per annum.

To Address Mortgage Bankers

Mr. William F. Stevenson, chairman of the Home Loan Bank Board, Washington, D. C., will deliver an address on "Mortgage Bankers and their Relationship to Governmental Credit Agencies" at the Twentieth Annual Convention of the Mortgage Bankers Association of America to be held in St. Louis, Missouri, on October 10th and 11th.

It is felt by many that this address will be of special importance not only to mortgage bankers and other business men interested in the field of real estate finance but also to the great mass of home owners

located throughout the entire United States.

Mr. Stevenson will stress in his address the value of the new Home Owners' Loan Corporation, which is administered by the Home Loan Bank Board, in so far as it is proving helpful to home owners in retaining their holdings and easing their financial burdens. He will give a detailed explanation of this act.

Mr. Stevenson will also touch on the relationship of mortgage banking to other governmental credit agencies, and following his speech an informal discussion will be held.

Francis H. Sisson Dies

Francis H. Sisson, vice president of the Guaranty Trust Company of New York, and formerly president of the American Bankers Association, died of a heart ailment after an illness of only four days, at his home, 70 Undercliff Street, Park Hill, Yonkers, New York, Sunday morning, September 17, 1933. He was 62 years of age. Surviving him are his wife, Grace Lass Sisson, and one sister, Mrs. Mary Sisson McCandless of Chicago, Illinois.

Mr. Sisson had for years been prominent in the field of financial publicity. He directed publicity, advertising and public relations work of his institution. He had wide experience in the publishing and advertising field, his association with this line of work having commenced during his early school days in Galesburg, Illinois, where he was born June 14, 1871. He was a graduate of Knox College and also of Harvard College, where he did postgraduate work.

Previous to his association with the Guaranty Trust Company, Mr. Sisson was active in railroad circles as assistant chairman of the Advisory Committee of the Association of Railway Executives, and in this capacity and in his editorial, advertising and banking experience he has written and spoken extensively.

Mr. Sisson was elected president of the American Bankers Association at their convention at Los Angeles on October 6, 1932, and served for one year.

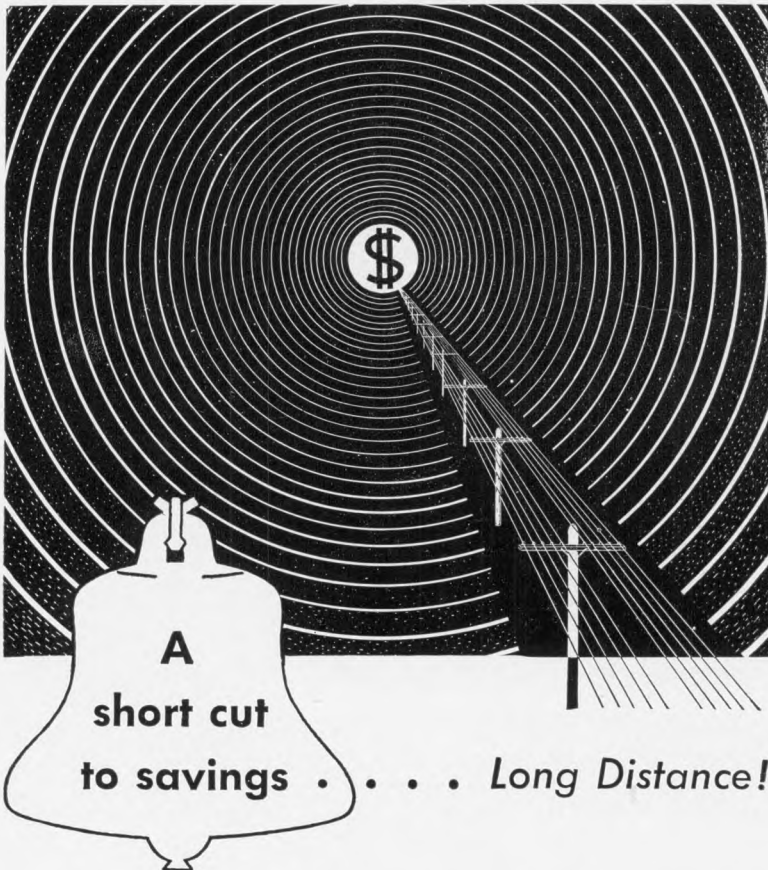
Sandy McTavish was strolling along the banks of the river when he came across an English visitor fishing.

"Man," said Sandy, "ye'll no' catch ony fish there. Ye'll hae tae gang farther up till ye come tae a guid place."

"Ah," said the visitor, "but how will I know when I come to a good place?"

"Hoots, man," said Sandy, "ye can easy tell a guid place by the number o' empty bottles lyin' about."

The most sublime psalm that can be heard on this earth is the lisping of a human soul from the lips of childhood.—Victor Hugo.



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Long Distance may be profitably fitted into your operating plans, just as it has in such widely different fields as tires and refrigerators. For helpful information, call the local Bell Telephone Business Office.

Rates above are for station-to-station, daytime calls. Evening and night rates, considerably lower. Where the charge is 50c or more a federal tax applies as follows: 50c to 99c, tax 10c; \$1.00 to \$1.99, tax 15c; \$2.00 or more, tax 20c.

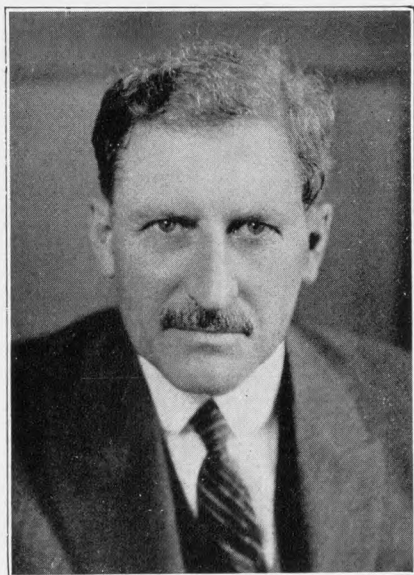


Insurance

Why Life Insurance Is Still One of the Best Investments

By O. J. ARNOLD

President, Northwestern National Life Insurance Company



O. J. ARNOLD

IN APPRAISING the excellence of any form of investment it is necessary first of all to set up a clear cut definition of what constitutes desirability in an investment. Judged by any test which considers all the various factors essential to a sound investment, there is none better than life insurance.

I do not think it necessary to incorporate in this article a detailed presentation of how life insurance today measures up as an investment, as such an analysis has already been made and masterfully presented by M. A. Linton, president of the Provident Mutual Life Insurance Company, in a recent address before a group of life insurance men in Chicago. Mr. Linton discussed, in the light of present conditions, the ability of life insurance to meet each of the most important investment tests—namely, security of principal, potential appreciation, marketability and value as collateral, and income return. The sum total of his findings certainly justifies the conclusion that no events of recent months have impaired the rating of life insurance as an investment to more than a slight degree. Only in the matter of marketability and collateral value has life insurance suffered, but it should be remembered that the restrictions which nearly all states adopted to prevent the unnecessary withdrawal of life insurance reserves came at a time when the banking functions of the nation were completely paralyzed, when no investment could be called marketable, and even the government had been forced to go back on its promise to pay gold. Already, it should be pointed out, the most serious aspects of this situation have been ironed out.

A Special Form

But while life insurance easily holds its own with other forms of investment when measured by a common yardstick, this does not tell the whole story. Life insurance is, after all, unlike bonds or stocks or mortgages or ordinary savings, and these differences make it impractical to judge it accurately by the same standards.

Life insurance is a special form of investment; it is bought to perform a specific task, which can be accomplished in no other way. Stated broadly, the job of life insurance is to eliminate risk—mainly, the risk that every man runs every day, of dying. While life insurance cannot prevent death, it can and does guarantee that financial stringency will not visit itself upon a family following the death of the breadwinner. Life insurance offers the only sure solution to the financial problem that death presents. Another risk which life insurance eliminates is the risk of dependence on others in one's old age. In these two respects, life insurance substitutes certainty for doubt.

Because life insurance is designed to accomplish a specific task, any analysis of its suitability should properly place a good deal of weight on the answer to the question: How certain is it that this task will be accomplished? Surely the recent history of life insurance offers all the evidence that is needed of its ability to perform its specific task with virtually one hundred per cent efficiency. The remarkable record of life insurance throughout the depression is a matter of general knowledge. With negligible exceptions, policyholders and beneficiaries have received life insurance proceeds promptly when due, and in full. More than that, life insurance has rendered a tremendous service by pouring millions of dollars in cash, representing a substantial portion of the life insurance reserves of many thousands of individual policyholders, into the

economic life stream of the nation at a most critical time.

About "Inflation"

So much for the past record of life insurance, which, by its remarkable degree of solvency and its performance in the face of economic adversity, has won and held public confidence as no other financial institution has been able to do. Now, as to the future. What conditions may arise, what changes ensue, that might be expected to provoke a swing away from life insurance in counter action to the gratifying degree of public confidence which it now enjoys?

On all sides these days we hear talk of "inflation." Occasionally the life insurance salesman meets a prospective buyer who has heard that money is destined to be "cheaper" and who therefore expresses an unwillingness to put his money into life insurance at this time as he feels that he will be paying his premiums in "expensive" dollars while the proceeds of his policy will come back to him or his family in the form of "cheap" dollars. It is urged that the wise investor will instead take advantage of the opportunity to put his money where it will yield him a quick and substantial return and thus counteract the action of inflation which is to reduce the value of the dollar.

That this advice is not being taken by any considerable portion of the public is shown by the fact that the curve denoting life insurance sales is not falling off, as would be expected if this idea prevailed, but is instead steadily rising in the face of the moderate inflation we have already experienced, as denoted by rising prices. Evidently the vast majority of life insurance buyers, wisely enough, are not swayed by the logic of those who would substitute for their life insurance something which they expect to sell out at a profit in the near future. This is further evidence that life insurance buyers regard their life insurance as in a class distinct

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from their other investments, recognizing that life insurance enables them to accomplish certain financial objectives which they regard as most important and which they can be assured of reaching by no other means.

For Greater Returns

There is, however, much that can be said to offset the "inflation" arguments of those who insist on regarding life insurance strictly as a dollars and cents investment. The man looking for a quick and substantial appreciation in the value of his investments should realize that there is a possibility that his life insurance may yield far greater returns than any other sound investment possibly could. Consider the case of the life insurance buyer who dies within a few years; his beneficiary will receive a sum many times in excess of the premiums he paid in, thus producing an "inflation" of his dollars far outweighing any reduction in their purchasing power which we might reasonably expect. For instance, if a man pays a \$100 premium on a life insurance policy and dies the first year, his beneficiary will get back those dollars multiplied as many as fifty times, as compared with a possible reduction in their purchasing power which could not be expected to exceed 50 per cent. If he dies in the fifth year instead of the first, the "inflation" will still be as much as ten times, and even if death

occurs in the tenth year it will be as high as five times his investment.

For the man who lives to see his life insurance mature for his own old age, the scales are just as likely to be tipped in his favor as against him, for who knows what will be the value of the dollar twenty, forty, or sixty years hence? Over a period of years he may look for constant variations in the value of the dollar, both upward and downward, and in the long run these variations will in all probability strike a fair average. He is just as likely to profit as to lose on the transaction.

A Definite Future

Whenever the proceeds of a life insurance policy become payable—whether in one year or fifty—the value of these life insurance dollars to the widow, or to the holder of a maturing policy, is multiplied several times because they arrive at a time when they are most appreciated. This "inflation" in the value of the dollars paid out by life insurance companies, due to the timely character of life insurance payments, also helps to compensate for any possible reduction in purchasing power that we may look for due to actual inflation. Of far greater importance to the policyholder than any comparatively slight fluctuation in the dollar's value, either one way or the other, is the fact that life insurance has made it possible for him to carry on his financial plans with

the certain knowledge that both he and his family have made definite provision for the future.

It cannot now be foretold whether the march toward economic recovery has gained impetus enough to carry on without further artificial stimulation or whether it will be deemed necessary to speed up the process by the adoption of an inflationary program. In either event, I am confident that life insurance will continue to occupy its acknowledged position as the keystone in the average man's financial program, and that it will continue to justify the faith of the millions who today look with satisfaction on their life insurance as the best investment they could have made.

NEWS AND VIEWS

(Continued from page 18)

majority of depositors and the smallest amount of total deposits. One sure thing the guaranty idea will *not* be repealed by the next Congress, so why not amend the law to eliminate all of it but the least objectionable part.

I WAS discussing with FRED A. CUSCADEN, vice president of the Northern Trust Company, Chicago, the question of the government policy of more or less "forcing" banks to make loans in order to stimulate business, and he expressed the view that he was more than willing to make "good loans," to any reputable concern desiring credit, but his bank would not change its policy and make "capital" loans and that was practically what the government was suggesting. That job, Mr. Cuscaden pointed out, was for the investment houses to do but they can't do it until a more liberal interpretation is placed on the new Securities Bill.

RALPH G. HERSEY, assistant cashier of the First National Bank of Chicago, invited me to lunch with him recently in the bank's private dining room (mighty good food, too), and I asked him why the Field Building was being built when Chicago had so many vacant offices. He told me that Marshall Field's will provided that a certain amount of the income of the estate must be invested every so often in "loop" real estate so that is the reason for the new Field Building.

W. M. C. CUMMINGS, president of Drovers National Bank of Chicago, has two hobbies, one is he likes to travel (he has been everywhere), and the other is he believes in smiling. Ask him about the pyramids of Mexico (did you know they had any?). He says they are more beautiful than the ones in Egypt.

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One of his tellers who was a most efficient young man, didn't make friends for the bank because he was so grouchy. So one day Mr. Cummings called him in and gave him a small pocket mirror and told him to look at himself every hour. He did so and soon changed his expression, and the customers all commented on it, proving again that it does pay to keep smiling.

PRESTON REED, secretary of the Financial Advertisers Association, came back from New York with great enthusiasm about their annual convention last month. Among the entertainment features was a boat ride, and the "circular" describing the "skyscrapers" included the following explanations:

1. Chrysler Building (Mr. Chrysler may be seen on the 66th floor waving from the window—he promised.)

2. Paramount Building. (the clock indicates at hourly intervals the notes due the banks.)

3. Chanin Building (for 50c you can go on top and look up at the Chrysler building.)

4. Empire State building. (for \$1.00 you can go on top and look down at the Chrysler building.)

5. New York Life (not to be confused with Broadway Life—the policies are different.)

6. Metropolitan (Seriously — every quarter and full hour the light blinks the time.)

7. Woolworth (Especially washed for this convention.)

8. Singer (Well—it used to be a skyscraper in 1908.)

9. Cities Service (Sh!)

10. City Bank—Farmers Trust (No, we're wrong.)

THE GLASS BILL—ITS EFFECT UPON NEW BUSINESS

(Continued from page 11)

own judgment, personal service will play a more important part in the development of business in the future than it has ever done in the past. The depositors, who have put their savings into a large bank because of its reputed strength, may now seek out smaller banks where they are acquainted with every employe from the president to the janitor.

Must "Deliver the Goods"

The large institutions which boast of the friendly way in which their employees treat the customers may be called upon to actually deliver the "goods" which they have advertised for so many years.

As I see the picture, the average sized bank will face the problem of building its business through the personal efforts of

its staff, which must extend to every employe of the institution.

It is my opinion that a new business man whose principal "stock-in-trade" in the past has been a bright smile and a genial disposition must entirely change his front. He can still retain the bright smile but he must actually sell his bank to the prospective customer, and after making the sale, must see that service is provided.

The changes that have already taken place in the banking system are only preliminary to the changes that are bound to occur. The Comptroller in his talk before the A. B. A., recommended a repeal of the Postal Savings law. Think what this would mean to the banks of the country!

Before the Civil War, branch banking was a recognized American system. In 1863, the unit system came in with the National Bank Act. Gradually, states and municipalities legalized branch banking; until by 1930, there were some 3,500 branches in the country. Since 1929, group banking has developed and today large group systems operate in nearly all parts of the country.

A Unified System

The Glass Banking Bill is designed to unify the banking system, bringing all banks into the Federal Reserve System.

The minimum capital requirements will further tend to equalize and unify the banking system. It is logical to assume that this is but a transitory stage and that eventually branch banking will be legalized throughout the country; the trend seems to indicate that it will be state-wide branch banking.

This, in itself, will change completely the public relations problem of our banks. It will further change the methods of developing new business. It will reduce competition between large banks and small banks and place competition more upon an equal basis.

We, as bank advertisers and business promotion men, are facing a future full of interest and with great possibilities. The public attitude toward banks will be a large factor in the future trend of banking. In my own judgment, the good will which a bank enjoys in its own community, coupled with the personal service offered and rendered by the contact people, will be the determining factor in building new business in the future. Building good will is not entirely a public relations job, it is decidedly a management and personnel problem as well.

Whether or not we will be able to measure up to our responsibilities and our opportunities is a question that future generations will have to answer. The opportunity is before us.

The Fruit of Many Years of CONTINUOUS CAPABLE MANAGEMENT

"If every policyholder had demanded the maximum cash loan value of his policy on December 31st last, the Company's cash and bonds alone, sold at their market value as of that date, would have come within \$391,531 of meeting these demands. In addition to this cash and bonds, the Company had other assets valued in excess of \$18,000,000, not including \$10,000,000 in policy loans."

—From the remarks of President O. J. Arnold at NWNL's recent agency convention.

This exceptional financial position is not the result of chance, but is due to many years of continuous capable management. NWNL is unique in having a Board of Directors composed of leaders in the business world, each independent of the other, directing the Company's affairs solely in the interests of its policyholders.

NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

O. J. ARNOLD, PRESIDENT

STRONG ~ Minneapolis, Minn. ~ LIBERAL

Let us review the problems that confront us in a studious frame of mind. Let us face the future of building new business with a full consciousness of the barriers of distrust that must be broken down before the public will again be willing to shake our hands. Let us resolve to go straight forward to the public with an honest story of the merchandise we have to offer.

The government has taken the necessary step to revamp the banking system—to provide for a better, a cleaner product. Our job is to create consumer acceptance to the end that banking and banks may once more enjoy the prestige that is necessary for operation and growth.

THE NEW IMPORTANCE OF SAVING

(Continued from page 13)

ing him for choosing The Northern Trust Company as his depository and inviting his attention to the convenience of Saving-by-Mail. Enclosed is a Savings Kit. If he does not make use of Saving-by-mail in thirty days, a well-illustrated follow-up permit-mail piece is sent. He is thus initiated into the family from our staff.

A New Importance

. . . All of us will be better equipped to talk of the future when the next few

months have been placed behind us. What will be necessary and valuable in building customer relationships then will be clear. Maybe they will be unnecessary. But I have a feeling that savings will assume a new importance with the years. Legitimate motives and desires will not be legislative. Thrift and the need for a cash reserve will always exist—unless human nature can be remade.

There is a problem in establishing substantial contacts with our savings depositors. Their relationship with us at present is far too impersonal and rarely assumes the same depth as those of other departments. It is clear in my mind that a thorough job of public relations can be accomplished. It will take time and a modest investment. Whether you think it is worth the effort can be answered by the extent to which your institution was ravaged in the onslaught of 1932-33. The reiterated story of good management and the daily demonstration of its presence; the reiterated story of your institution's traditional principles; the periodic explanation of your bank's financial strength and its investment policies; the humanizing of your personnel and the visible evidence of your desire to establish friendly, personal relationships with your savings customers should forearm you against wholesale future unfavorable reactions.

There is a new importance in savings—the importance of an improved customer relation. It demands our close attention and earnest study. It is a problem which you must contemplate more as an insurance against unfavorable reaction, less as defensive selling.

Invite A. B. A.

The American Bankers Association has received invitations for two years ahead from cities desirous of acting as host to this annual gathering.

An invitation was received from Washington, D. C., for the 1934 convention, and another from New Orleans, for 1935.

The president and executive manager of the Association were authorized to take, at the proper time, such steps as they deem are in the interest of the Association with respect to these invitations.

Offer City Bonds

Jackley-Wiedman & Company with the Central National Bank & Trust Company, Des Moines, are offering \$54,000 City of Des Moines 5 per cent Funding Bonds, 1936 to 1942, prices ranging from 4.30 to 4.50 basis. This is a part of an issue of \$193,000.00 These bonds are offered for delivery October 10th.

Those only can thoroughly feel the meaning of death who know what is perfect love.—George Eliot.



Service to Your Livestock Shippers

You can give increased service to the livestock shippers in your territory if you carry an account with the Live Stock National Bank of Sioux City because this institution will give you better and faster service on collections than you can secure in any other way.

Give your livestock shippers the benefit of our experience and thus keep them as satisfied customers of your own institution.

Live Stock National Bank

SIoux CITY, IOWA

Affiliated with Northwest Bancorporation

"THE BANK AT THE YARDS"

OFFICERS

A. G. Sam, President

C. L. Fredricksen, Vice President

W. G. Nelson, Asst. Cashier

M. A. Wilson, Cashier

W. C. Schenk, Asst. Cashier





E. R. HEATON
President

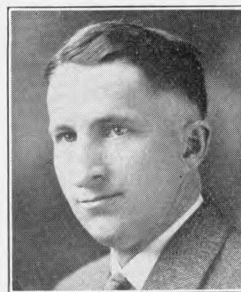
South Dakota Bank News

Officers South Dakota Bankers Association

President.....E. R. Heaton
Yankton

Vice President.....L. M. Larsen
Wessington Springs

Executive Manager.....Geo. A. Starring
Huron



GEORGE A. STARRING
Executive Manager

D. A. McCullough Dies in Pierre

D. A. McCullough, state superintendent of banks and chairman of the democratic party in South Dakota, was found dead in his automobile in Pierre the evening of September 19th. His death is believed to have been caused by cerebral hemorrhage.

R. D. Chapman found Mr. McCullough in his auto which was parked on a residential street. Chapman said he was passing the car when he heard a noise. Upon investigation he found McCullough in the back seat, evidently dead.

Mr. McCullough, who was 71 years of age, had been prominent in democratic circles for many years. He first came to Pierre as rural credit commissioner in 1927, a position he held until July, 1931. He was the democratic nominee for governor in 1930, being defeated by former Governor Warren Green. He headed the party in its 1932 landslide victory and was appointed superintendent of banks by Governor Tom Berry.

The banking superintendent formerly lived at Howard and Sioux Falls where he was engaged in the banking business.

Mr. McCullough's death is the second among democratic officials within the past month. L. E. Corey, former state tax director, died suddenly a few weeks ago in Yankton.

Bandit Trap

The Farmers State Bank of Kaylor, which was raided by bank bandits last spring, when the son of the cashier was shot, has installed a bandit trap. A bandit now seeking to hold up the bank could be caught and held. The moment he stepped into the vestibule an iron door would lock behind him and another iron barred door would bar his entrance to the bank.

The vestibule of the bank is converted into a trap with iron bars on all sides and the door is equipped with electric locks controlled by push buttons located in the interior of the bank. The inner door of the vestibule is always locked except as opened by the bankers to admit people

whom they know. Strangers must identify themselves by using a telephone similar to those in use in the vestibule of apartment houses.

A. B. A. Conventionites

The following were delegates from South Dakota to the American Bankers Association convention in Chicago:

C. E. Barkl, president, Farmers & Merchants Bank, Huron; E. C. Beebe, director, Bank of Kimball, Kimball; M. Plinn Beebe, chairman of board, Bank of Timber Lake, Timber Lake; T. M. Brisbine, cashier, Woonsocket State Bank, Woonsocket; Arthur Cahalan and wife, president, First National Bank, Miller; China R. Clarke, vice president, Security National Bank & Trust Co., Sioux Falls; R. E. Driscoll, vice president, First National Bank, Lead; E. R. Heaton, president, South Dakota Bankers Association and First Dakota National Bank & Trust Co., Yankton; W. H. Jarmuth, president, First National Bank and Trust Co., Vermillion; Harmon Kopperud, cashier, Community State Bank, Lake Preston; J. M. Lloyd, vice president, American State Bank, Yankton; L. T. Morris, president, First Citizens National Bank, Watertown; A. R. Olson, vice president, First National Bank, Peresford; Oscar A. Olson and wife, cashier, Bank of Timber Lake, Timber Lake; Robert Peterson, vice president, Security National Bank, Viborg; L. A. Pier, president, Belvidere State Bank, Belvidere; Geo. A. Starring, wife, son and daughter, secretary, South Dakota Bankers Association, Huron; F. R. Strain, deputy superintendent of banks, State of South Dakota, Pierre; J. C. Vandagriff, president, Union Savings Bank, Sioux Falls.

Starring Honored

George A. Starring, executive manager of the South Dakota Bankers Association, was elected first vice president of the State Secretaries Section of the American Bankers Association at Chicago.

E. R. Heaton, Yankton, president of the South Dakota Association, who also was

in Chicago, notified the headquarters office. Mr. Starring also was retained on the board of control of the secretaries section.

Reduce Counter Cash

More than 80 per cent of South Dakota banks which are not covered by blanket robbery insurance or which do not have protective devices approved by the underwriters, have signed an agreement with the South Dakota Bankers Association that they will reduce their exposure of cash on the counters 85 per cent. These banks have been supplied with a warning card which requests customers of the bank not to expect too quick service for a request for any unusual amount of cash.

These banks are keeping most of their cash and securities with their city correspondents or with the Federal Reserve Bank and a large part of the balance is kept under time lock all day during banking hours.

This agreement is in line with new restrictions imposed by the insurance companies which provide that they will not pay losses incurred in a holdup beyond a 15 per cent exposure of cash unless the banks are equipped with tear gas or bandit barrier or unless the cash is kept under time lock and when time locks are not operating the banks must have two armed guards at open doors or keep the doors locked.

This will be a great inconvenience to the public at times but the banks are obliged to comply with the regulations. The losses from holdups this year should decrease anywhere from 50 to 75 per cent in South Dakota.

New Superintendent

Frank R. Strain of Fort Pierre has been appointed by Governor Tom Berry as state banking superintendent, to succeed the late D. A. McCullough of Sioux Falls. Mr. Strain has been deputy superintendent.

Ruling On Claims

The South Dakota Supreme Court held recently that reorganization of closed state banks does not relieve stockholders of liability to creditors who do not consent to waive their claims.

In a case appealed from Yankton county circuit court, the high court upheld a judgment for O. I. Sneve, deposit creditor of the Citizens State Bank of Irene, who sued A. H. Hagen and C. M. Peterson, stockholders.

When the bank was reorganized with approval of the required 80 per cent of the creditors, who agreed to waive 70 per cent of their claims, Sneve protested and refused to waive his claims. The circuit court awarded him judgments totaling \$3,360 against the two stockholders.

Hagen and Peterson claimed that by purchasing stock in the new bank they were freed from liability to Sneve, but the Supreme Court said:

"While it may be laudable to reorganize closed banks and put them on a solvent basis, yet the framers of our laws never intended that that should be accomplished at the expense of the non-consenting creditor and thus deprive him of participating in the funds to be derived from stockholders' liability."

Addresses A. I. B.

An address by Newton D. Baker, former secretary of war, was heard recently by

members of the Sioux Falls Chapter of the American Institute of Banking when they met at the community house to join the national commencement exercises.

Pre-standard certificates were awarded to Fred Anderson, R. A. Armstrong, Ben F. Borgers, Orson N. Geegh, Gene T. Hobbs, Alice M. Keavy, Rolla L. Larson, Charlotte Mead, Deodotta Moen, Christina Mueller, G. Oliver Nordby, W. E. Perrenoud, R. Raymond Phillips, A. M. Sprague, and John T. Torsey. Four of the members had already received their certificates. These are Oliver Bray, Arthur Winter, John Loberg, and Adolph Lodmell.

NEBRASKA NEWS

Unrestricted

The Farmers Security Bank of Maywood, which has been operating on a restricted basis since the bank holiday in March, was placed on the unrestricted list recently, deposits being made available 100 per cent.

Cooperative Bank

Preparations for the opening of a bank for cooperatives in the Omaha Land Bank district, are being made by W. J. Hart, economist of the grain division, farm credit administration.

The bank for cooperatives will be one of four units which will serve farmers of this district when the farm credit structure is recognized sometime between now and January 1st. Its function will be to furnish funds for cooperative associations of grain and cattle men.

Mr. Hart, who has been working privately in this district, has now taken an office in the Federal Land Bank building, and will continue his work there.

Pioneer Dies

E. A. Wiltsie, 75, pioneer Thurston county banker, died last month from heart trouble after several weeks' illness. He was president of the First National Bank of Pender, with which he had been connected since 1889. He was a leading republican of Thurston county.

Stephens Picnic

About 200 guests, including children of the Masonic-Eastern Star home, officers of the Nebraska Grand Lodge of Masons, and employes and their families of the Stephens National Bank, Nebraska State Building and Loan Association, Hammond-Stephens Company and Fremont State Company were present for the picnic and outing held at the Cottonwoods, summer home of Dan V. Stephens. The members of the group were the guests of the Stephens National Bank.

Consolidate

The two Fairmont banks, Farmers State Bank and Bank of Fairmont, have consolidated as the Farmers State Bank, capital stock \$25,000, surplus \$5,000, undivided profits \$2,000. The officers are: President, Francis F. Putlitz; vice president, Leroy Stines; cashier, Charles Tous; directors, Shelley Stines, Francis F. Putlitz, Leroy Stines and Charles Tous, all of Fairmont, and Earl H. Wilkins of Geneva. Shelley Stines is chairman of the board. The old quarters of the Farmers State Bank are used.

T

HE MEASURE OF VALUE
of a CITY CORRESPONDENT
is its ability and desire to serve.
The facilities of this bank are complete for the prompt handling of any business.

We would like to prove both
our ability and desire to serve
you in Sioux City.

FIRST NATIONAL BANK
IN SIOUX CITY

A. S. Hanford, President

Frederick R. Jones, Vice Pres.

Fritz Fritzson, Cashier



R. H. BARBER
President

Nebraska Bank News

Officers Nebraska Bankers Association

President.....R. H. Barber
Paxton
Chairman Executive Council.....
.....H. A. Schneider
Plattsmouth
Treasurer.....C. F. Brinkman
Omaha
Secretary.....Wm. B. Hughes
Omaha



WM. B. HUGHES
Secretary

Convention Announcement

FROM Billy Hughes, able secretary of the Nebraska Bankers Association, comes the word that great things are in store for those who attend the convention in Omaha November 15th and 16th. Already speakers of national reputation have been obtained, who will discuss current topics as related to banking. In a recent bulletin, Mr. Hughes writes as follows:

"We are now in position to make an announcement about speakers who have been secured for our meeting.

"In our circular letter of September 11th about the American Bankers Association convention we announced that Dr. Harold Stonier, who made the very finest address at Chicago, will be on our program. He is educational director of the American Institute of Banking, and is an accomplished speaker. We know that all Nebraska bankers will enjoy hearing him.

"Another speaker whose name will undoubtedly arouse great interest is Professor Raymond Moley, until recently Assistant Secretary of State, and now associated with Vincent Astor in the publication of a political weekly.

"We have secured the help of Russell A. Algire to cover the perplexing subject of robbery losses, insurance against same, premium rates for the coverage, and requirements as to counter exposure. This is a timely subject, and Mr. Algire's position as vice president of the National Surety Corporation in charge of this part of its business, enables him to speak with authority. We are sure that this feature of our program will be interesting and instructive.

"We always like to have at least one Nebraska banker speaker on our program, and this year A. B. Wood, cashier of the State Bank of Bartley, has consented to take a place on our program. He is chairman of the special committee on admission of non-members of the Federal Reserve to the guarantee plan.

"We have been in correspondence with Senator George W. Norris, and if he has not been called to Washington by the time of our meeting, he will appear on our program.

"We have hopes of inducing Governor George H. Hamilton of the Federal Reserve Bank of Kansas City to be with us to address our members. We feel that, in view of the developments that are to take place in the banking business within the next few months, this is an especially appropriate time for a message from Governor Hamilton.

"Douglas Malloch of Chicago, an experienced and accomplished after-dinner speaker, has promised to be with us for the evening session. He is a humorist and philosopher of known ability and we feel very sure that he will please our members.

"We learn that there is a special rate of fare and a third in effect for the Ak-Sar-Ben Stock Show, and that there is no necessity, therefore, of a special rate for our convention. The Stock Show rate is what is known as an "open" rate. Anyone and everyone gets the benefit of it and no certificate is necessary."

A. B. A. Conventionites

The following were delegates from Nebraska to the American Bankers Association convention in Chicago:

Edw. A. Becker and wife, cashier, Continental National Bank, Lincoln; Fred S. Berry, director, State National Bank, Wayne; J. R. Cain, Jr., vice president, Omaha National Bank, Omaha; J. J. Delay, president, Delay National Bank,

1933 CONVENTION

will be held at

OMAHA

WEDNESDAY and THURSDAY

November 15th and 16th

Headquarters—Fontenelle Hotel

Norfolk; Don Easterday, First National Bank, Lincoln; Phil R. Easterday, executive vice president, First National Bank, Lincoln; Ernest Hanson and wife, cashier, First National Bank, Wahoo; Mrs. Nellie Hogrefe, secretary to E. H. Luikart, Lincoln; Wm. B. Hughes, secretary, Nebraska Bankers Association, Omaha; T. A. James and wife, president, First National Bank, Stromsburg; Arthur Jensen and wife, vice president, Nebraska National Bank, Minden; Alvin E. Johnson, vice president, Live Stock National Bank, Omaha; Rollie W. Ley, president, State National Bank, Wayne; E. H. Luikart, Superintendent of Banks of the State of Nebraska, Lincoln; C. C. Neumann, cashier, Farmers & Merchants National Bank, Oakland; H. W. Renken, and wife, assistant cashier, Bank of Talmage, Talmage; O. A. Riley, vice president, the Hastings National Bank, Hastings; J. D. Stocker and wife, cashier, Otoe County National Bank, Nebraska City; Earl Sutherland, president, Security National Bank of Lauren, Lauren; M. M. Taylor, vice president, Central National Bank, Columbia; A. Thuman and wife, president, State Bank, Trenton; Edwin N. Van Horne and wife, president, the Continental National Bank, Lincoln; Samuel C. Waugh, executive vice president, the First Trust Company, Lincoln; H. J. Wragge and wife, cashier, First National Bank, Tecumseh.

Committee Head

Lucile Thornton, employe of the Federal Reserve Bank branch of Omaha, has been appointed chairman of the women's committee of the Omaha chapter, American Institute of Banking, for 1933-34.

Birthday

September 18th marked the seventy-sixth anniversary of the establishment of the Merchants National Bank, of Nebraska City, an institution whose history was told in complete detail last year when the "diamond anniversary" was observed.

Starting in the midst of a national panic, in one of the outposts of civilization on this continent, Merchants National has gone through a half dozen depressions with colors flying at the masthead.

Merchants National is the oldest bank in Nebraska. Observers of banking will unanimously attest that it is one of the strongest.

Consolidate

Transfer of the duties of the Land Bank Commissioner's Agent and his force to the Federal Land Bank of Omaha has been completed, according to J. J. Klima, secretary-treasurer of the Milligan National Farm Loan Association.

Bert Waddell former agent of the land

Northwestern Banker October 1933

bank commissioner in this district now becomes a vice president of the Federal Land Bank. Mr. Waddell will also be a member of the loan committee.

Under the consolidated plan both Federal Land Bank and Commissioner's loan applications will be handled by the bank. A joint application has been adopted for both loans.

Takes Over Bank

In conformity with the banking policy now prevalent over the entire country, suggested by the expediency of consolidating banks, not alone to permit of adequate resources and capital structures but thereby to reduce overhead on account of waning profits, a policy involving liquidations, consolidations and mergers of banks, the First National Bank of Grand Island has announced acquisition of the National Bank of Doniphan, one of Nebraska's oldest established country banks and which recently fully met the government's requirements in converting from a state to a national institution.

C. M. Carlson, cashier, and for years the executive head of the Doniphan bank, and with previous banking experience in central Nebraska, comes to the First National, as does Miss Bess Gideon, assistant cashier, of the Doniphan bank.

Regional Meeting

A meeting of the Fourth Regional Clearing House Association, composed of bankers from Nemaha, Richardson, Johnson and Pawnee counties met last month at Auburn for a banquet and business meeting. Forty-six members of the association were present.

After the dinner there was a speaking program and a general discussion of prob-

lems now confronting the bankers. It was a very interesting as well as profitable session. Speakers included George Holmes, president of the First National Bank of Lincoln; William B. Hughes, Omaha, secretary of the Nebraska Bankers Association; George W. Woods, Lincoln, State Bank Commissioner; Fred L. Liles of the National Security Corporation and Cullen Wright of Scottsbluff.

Reorganized

The First State Bank at Hordville, Nebraska having been operating under restrictions since the banking holiday last March, was reopened on September 2nd after having completed a reorganization that places the bank in a sound and liquid condition that meets the approval of the Banking Department.

The bank will continue under the management of R. C. Gustafson as president; E. W. Hahn as vice president and W. L. Kupke, assistant cashier. The stockholders are G. W. Randahl, Emma Bengston, W. L. Kupke, E. W. Hahn, S. I. Benson, Lars C. Larsen, John Jones, Albert Johnson, L. P. Jones, John W. Benson, C. C. Rodine, Mary C. Erickson and R. C. Gustafson.

Refuse Warrants

Omaha banks will refuse to finance Douglas county during the next year by general acceptance of county warrants, it was reported.

The banks last year refused to buy county warrants, declaring that the county must balance its budget to obtain any money.

The banks, through the Clearing House Association, of which all national banks are members, had been asked to take about

\$1,200,000 in county warrants during the year up to next August. The full amount, it was said, would not be out at any one time, but bankers believed from six hundred to nine hundred might be floated at once. At present the county has about 150 thousand in warrants outstanding.

The bankers' probable refusal, it was said, will be to some extent based on public policy. If the banks bought all warrants issued, it was said, financing would be so easy as to lead to extravagant spending.

Named Appraiser

Carl Jones of Fremont, has been named appraiser for the Federal Land Bank at Omaha, he was informed from Washington.

Jones was one of three appraisers appointed from the Fremont district.

Head in Omaha

Walter W. Head, former Omaha banker who has been elected president of the General American Life Insurance Company of St. Louis after purchase of assets of the Missouri State Life, was in Omaha recently for a monthly directors' meeting of the Hinky-Dinky Stores Corporation.

Mr. Head is chairman of the board of the Hinky-Dinky organization.

Making Loans

The Federal Land Bank gets as many applications for loans in 10 days now as it did during the whole of 1932, President D. P. Hogan said recently. Applications are coming in at the rate of \$1,850,000, daily, compared with \$18,902,000 for all of 1932. If the rate keeps up, 1933's applications will pass the half billion mark.

The bank once had eight appraisers; now it has 247.

The bank did nearly one-third of the total business done by Federal Land Banks in the first six months of 1933.

Deposit Hearing

State Banking Superintendent Luikart is trying to win the right of Nebraska banks to participation in the national deposit guaranty law without further examination.

Mr. Luikart was named at a recent Chicago conference of bank supervisors to represent the tenth federal reserve district at a Washington conference with federal officials. The state banking officials wanted the government to accept state examinations for qualifying banks for federal reserve membership which is necessary to come under the deposit guaranty plan.

More Nebraska News
Page 30



AK - SAR - BEN
LIVE STOCK SHOW - HORSE SHOW - RODEO
OMAHA - NOVEMBER 11 to 17th

...

LIVE STOCK NATIONAL BANK
OMAHA

THIS BANK HAS NO AFFILIATED COMPANIES

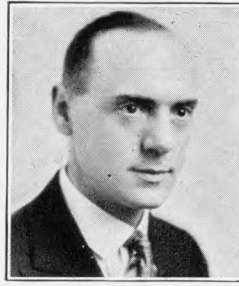


WILLIAM DUNCAN, Jr.
President

Minnesota Bank News

Officers Minnesota Bankers Association

President.....William Duncan, Jr.
Mankato
Vice President.....D. J. Fouquette
St. Cloud
Treasurer.....Olaf Gandrud
Benson
Secretary.....George Susens
Minneapolis



GEORGE SUSENS
Secretary

Independent Bankers Meet in St. Paul

Addressing the annual convention of the Independent Bankers Association at the Ryan Hotel, St. Paul, Elmer A. Benson, State Banking Commissioner, attacked branch banking "as calculated to centralize banking wealth and banking credit," and urged independent bankers to oppose its development.

Two hundred bankers from Minnesota and neighboring states were in attendance at the one-day convention which concludes with a dinner at which Governor Floyd B. Olson was the principal speaker. The governor discussed "The Changing Trend in Banking." Theodore Aune of Glenwood was in charge as president. Other speakers were Charles W. Sterling, St. Paul attorney, and Otto Bremer, new head of the Home Loan Bank.

Mr. Benson in his address said "the insurance feature of the 1933 bank act is something the American people demand," but he criticized features of the new law requiring state banks to join the federal reserve system. He urged that an effort be made at the coming congressional session to obtain amendments to the law "that will prevent centralized banking control."

Creation of a state deposit insurance system, with the state government as the guarantor, was suggested by Governor Olson as a way to save several hundred state-chartered banks assertedly threatened with extinction under the Glass-Steagall bill.

The plan would provide for separation of savings and commercial accounts into two distinct departments, with time deposit funds and demand deposit funds parted. Types of securities on which loans could be made would be limited. There would be created a state deposit insurance corporation similar to the present federal insurance corporation, but with two outstanding differences. In the first, the state itself would underwrite the insurance, reserving the right to collect from solvent banks all money expended on insolvent banks. In the second, assessments on banks would take the form of diversion of an adequate portion of the interest income

of all banks to the insurance fund, with the banks expected to pass this added cost on to the borrowers.

Harry Lee of Long Prairie was elected president of the association at the final business meeting. He was president also in 1930 and 1931. Other officers elected are: T. F. Spricer of Newport, vice president; W. W. Churchill of Rochester, treasurer; Theodore Aune of Glenwood, A. P. Stoll of Pierz, E. O. Habberstad of Blooming Prairie, A. B. Larson of Faribault, Olaf Gandrud of Benson and M. L. Erickson of Lake City, new members of the executive council. The council will appoint a secretary.

A. B. A. Conventionites

The following were delegates from Minnesota to the American Bankers Association convention in Chicago:

L. D. Allen and wife, vice president, Winona National & Savings Bank, Winona; R. S. Banfield, vice president, First National Bank, Austin; John W. Barton and wife, vice president-manager, R. A. C. C. Regional Agricultural Credit Corporation, Minneapolis; V. A. Batzner and wife, vice president and cashier, National Citizens Bank, Mankato; P. D. Beaulieu and wife, vice president, Austin State Bank, Austin; H. W. Bless, director, Peoples State Bank, Welles; W. E. Brockman, Northwestern National Bank, Minneapolis; D. F. Case and wife, president, Security State Bank, Cannon Falls; J. R. Chappell and wife, vice president, Merchants Bank, Winona; C. F. Dabelstein and wife and two daughters, president, Olmsted County Bank & Trust Co., Rochester; J. R. DeWitt and wife, cashier, First State Bank of Shevlin, Shevlin; William Duncan Jr., wife and daughter, vice president, First National Bank of Mankato, also president, Minnesota Bankers Association, Mankato; William B. Geery, governor, Federal Reserve Bank of Minneapolis, Minnesota; Paul S. Gillespie, vice president, American National Bank, Little Falls; Herbert Halenberg and son Herbert Jr., chief examiner, Northwest Bank Corporation, Minneapolis; C. E. Johnson and wife, vice president, Empire National Bank and Trust

Co., St. Paul; Evan M. Johnson, Assistant comptroller, First National Bank & Trust Co., Minneapolis; Wm. N. Johnson, vice president, Northwestern National Bank, Minneapolis; Cecil L. Keith, cashier, Midland National Bank & Trust Co., Minneapolis; Henry S. Kingman, treasurer, Farmers & Mechanics Savings Bank, Minneapolis; A. B. Lathrop, vice president, First National Bank, St. Paul; W. A. Mahl and wife, vice president, The First National Bank, Winona; Edgar L. Mattson, President, Midland National Bank & Trust Company, Minneapolis; M. A. Nye and wife, director, The First National Bank, Farmington; O. H. Odin, vice president, Marquette National Bank, Minneapolis; B. N. Onsgard, cashier, Onsgard State Bank, Spring Grove; R. M. Peterson and wife, vice president, State Bank of Cokato; B. Murray Peyton, president, Minnesota National Bank, Duluth; H. H. Peyton, president, Pioneer National Bank, Duluth; George H. Prince, chairman, First National Bank of St. Paul, St. Paul; H. C. Robertson and wife, vice president, First National Bank, Stillwater; Victor F. Rotering, vice president, First National Bank & Trust Co., Minneapolis; E. E. Shepard, vice president and trust officer, First National Bank, Winona; Wm. J. Stevenson, vice president, First National Bank & Trust Co., Minneapolis; George Susens, wife and son, Secretary, Minnesota Bankers Association, Minneapolis; A. W. Swanson, wife and two sons and niece, cashier, First National Bank, Cannon Falls; J. Cameron Thomson, and wife, president and general manager of Northwest Bancorporation, also vice president, Northwestern National Bank, Minneapolis; M. E. Uggen, cashier, Peoples State Bank, Wells; Joseph S. Ulland, wife and two daughters, president, Fergus Falls National Bank, Fergus Falls; Charles O. Vangen, assistant cashier, First National Bank, Albert Lea; A. J. Veigel and wife, President, University State Bank, Minneapolis; Lyman E. Wakefield, president, First National Bank & Trust Co., Minneapolis; A. McC. Washburn, vice president and general counsel, First National Bank, Minneapolis; G. A. Whitman and wife, president, First National Bank, Eveleth.

To Albert Lea

William A. Gray of Lincoln, Neb., took up his work as cashier of the First National Bank of Albert Lea recently. He succeeds Frank Reese, Sr.

The First National Bank of Albert Lea is affiliated with the Northwest Bancorporation.

Clearing House

Representing Chippewa, Yellow Medicine, Swift counties and part of Renville county, 45 bankers met in Montevideo for

Northwestern Banker October 1933

Nor Gloom of Night

Above the facade of the Post Office building in New York there is engraved this inscription:

"Neither rain nor snow nor heat nor gloom of night stays these couriers from the swift completion of their appointed rounds."

The services of this bank are based upon the outstanding efficiency of the United States Post Office Department.

Our system of continuous operation permits of no avoidable delay in the conversion of collection items into available cash.



... THE ...

PHILADELPHIA NATIONAL BANK

ORGANIZED 1803

PHILADELPHIA, PA.

CAPITAL and SURPLUS.....\$30,000,000

the purpose of forming an inter-county or regional clearing house.

George Susens, secretary of the Minnesota Bankers Association, was present and gave an enlightening talk on the future of banking under the Glass-Steagall Act.

A. P. Heineman, a representative of the Federal Reserve Bank, discussed the new federal rules under the Glass-Steagall Act. A committee comprising two men from each county will meet in Montevideo to form plans for a permanent organization.

On Committee

Appointment of Lyman E. Wakefield, president of the First National Bank and Trust Company, Minneapolis, as member of a research committee of the Reserve City Bankers Association to study major problems confronting banks was announced by John H. Hogan of Chicago, president of the association. Banks in the 62 reserve and central reserve cities hold membership in the association and represent 38 per cent of the deposits and 42 per cent of the capital of all American banks.

A. I. B. in St. Paul

Members of the St. Paul Chapter, American Institute of Banking should continue to pursue the educational advantages afforded through membership in the organization.

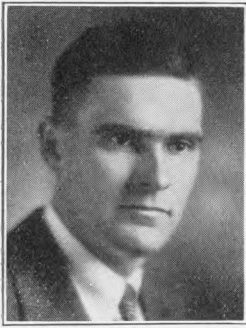
They were so advised by Albert S. Puelicher, Milwaukee, president of the American Institute of Banking. Mr. Puelicher was principal speaker at the fall dinner of the chapter. Approximately 450 persons attended. Alfred Holtan, St. Paul Chapter president, presided.

The debate team of St. Paul Chapter presented to the chapter the loving cup won by the team at the national convention of the American Institute of Banking in Chicago in June. Miss Dorothy Goth, made the presentation. The cup was accepted in the behalf of the chapter by A. B. Lathrop, vice president, First National Bank.

THE CITIZENS State Bank, Fairfax, Minn., have recently changed the fixtures around and are in the process of installing bullet-proof glass.

R. M. JONES, assistant cashier, First State Bank, Okabena, thinks someone should sponsor a uniform size check. He says at present we have too many sizes which only makes it hard to handle them.

A friendship formed in childhood, in youth,—by happy accident at any stage of rising manhood,—becomes the genius that rules the rest of life.—A. Bronson Alcott.



D. R. GREEN

North Dakota Bank News

Officers North Dakota Bankers Association

President.....	D. R. Green
	Grand Forks
Vice President.....	F. D. McCartney
	Oakes
Treasurer.....	H. D. Crosby
	Fargo
Secretary.....	C. C. Wattam
	Fargo

Discuss New Bank Rulings

Rulings which will prohibit member banks of the Federal Reserve System from paying more than 3 per cent interest on savings deposits after November 1st and other new rules and regulations were discussed at a conference of bankers of south-eastern North Dakota in Fargo last month.

C. C. Wattam, secretary of the North Dakota Bankers Association, was chairman and speakers included John Peyton, chairman of the board of directors, federal reserve bank of Minneapolis, and H. L. Wilson, former Fargo banker, now representative of Cameron & Co., Chicago bond service house.

Under the new "regulation Q" of the federal reserve board, Wattam explained, a savings deposit is defined as:

"A deposit which consists of funds accumulated for bona fide thrift purposes."

In addition to a maximum of 3 per cent which may be paid on such deposits after November 1st, no member bank of the federal reserve system may waive notice of intended withdrawal of a saving deposit or any part of it, without waiving such notice as to the same portion or percentage of the deposit of every other depositor which are subject to the same requirement.

"In other words," Wattam explained, "if a bank has a clause in its savings deposit contract which requires say 60 days' notice on the part of the depositor before this deposit may be withdrawn, the bank cannot waive the 60 day clause for one patron without granting the same privilege to every other depositor."

"This undoubtedly will mean the banks will strictly enforce the 60 day notice rule."

Fargo members of the federal reserve are now paying 3 per cent on savings deposits.

Elected President

George Laney, former resident of Bismarek, has been elected president of the First National Bank of Napoleon. Laney had been vice president of the bank for the last four years, having succeeded H. C.

Young of Fargo. Fred B. Heath, who has been cashier of the bank for the last 23 years, resigned to take a position with the First National Bank of Mandan. W. D. Heupel, assistant cashier of the Napoleon bank for the last six years, succeeds Heath as cashier of the institution.

A. B. A. Conventionites

The following were delegates from North Dakota to the American Bankers Association convention in Chicago:

F. A. Irish, Vice President, First National Bank, Fargo; Gilbert Semingson and Eda, Bank Examiner, State of North Dakota, Bismarek; C. O. Wattam, secretary, North Dakota Bankers Association, Fargo; E. J. Weiser, president, First National Bank, Fargo; H. M. Weydahl, Vice president, First National Bank of Killdeer, Killdeer.

Joins Bank of North Dakota

George M. Thompson, Jamestown, who recently resigned as secretary of the state hospital for the insane, has accepted a position in the Bank of North Dakota, according to R. M. Stangler, manager of the bank.

The transfer became effective on September 1st.

May Insure Deposits

A North Dakota state bank, under its general powers of carrying on the business of banking, may insure its deposits with the federal deposit insurance corporation created by the last session of congress, Harold D. Shaft, assistant attorney general, ruled in an opinion handed to Gilbert Semingson, state bank examiner.

State banks may, Shaft continued, take state law, invest in the stock of the federal deposit insurance corporation, Shaft said.

State banks may, Shaft continued, take advantage of the provisions of the federal law providing that if any state bank is not permitted by the laws under which it was organized to purchase stock in the corporation, it may apply to the corpora-

tion for the admission to the benefits, and if the application be granted it must deposit with the corporation an amount equal to the amount which it would have been required to pay on account of a subscription to the capital stock of the corporation.

"This provision is temporary only," Shaft added, "and if the state law is not amended at the next session of the legislature or if it is amended and the state bank does not within six months thereafter subscribe for the requisite amount of stock, the membership is forfeited and the deposit returned."

To Open Soon

Early opening of the new First National Bank in Grand Forks was seen in the recent announcement from Washington that the Reconstruction Finance corporation had finally approved the \$810,000 loan to the old institution.

Certain technicalities have delayed action on this loan, which is to be used in payment of a 50 per cent dividend on the deposits in the old bank. Now that this has been cleared up, only routine formalities remain before the bank can open.

Banker Dies

Alva J. Field, resident of Williston since 1900 and for many years engaged in the real estate business, died at his home recently.

Mr. Field was 54 years of age, born in Pittsfield, Ill., where his father and a sister now live. For a few years after his arrival in Williston he taught school and then entered the real estate business, being at the time of his death a partner of F. P. Bergman in the First Loan and Investment Co., and was for a number of years a director of the First National Bank.

New Ruling

The Federal Trade Commission has announced a new ruling to its securities regulations designed to allow an extension of twenty days to a registrant in which he may amend his registration without issuance of a stop-order.

The new procedure would prevent the making of an adverse record against a registrant who the commission believes wishes to conform to the act. Under the new rule the commission can afford him sufficient time to make his registration statement conform to the act, and at the same time prevent the sale of the securities until the necessary amendments have been made.

According to the new ruling, whoever is designated in a registration statement to receive communications regarding it from the Federal Trade Commission is given (1) power to amend the registration statement by altering to a subsequent date the

date of the proposed offering of the securities registered, (2) power to withdraw the registration statement or amendment (3) power to consent to entry of an order by the commission, prior to the effective date of the registration, refusing to permit the registration statement to become effective until it has been amended in accordance with an order. A consent order entered by the commission under this ruling is to be without prejudice to the right of the registrant thereafter to have such order

vacated on a showing to the commission that the registration statement as amended is no longer incomplete or inaccurate.

Other rules adopted by the commission pertain to the withdrawal of a registration statement or an amendment thereto, amendments filed pursuant to an order of a commission, and a definition of "distribution" as used in section 11 of the act. The new rules permit the incorporation by reference of exhibits filed with previous registration statements.

Heads A. B. A. Trust Division

On Monday, September 5th, Howard O. Edmonds, vice president, The Northern Trust Company, was elected president of the Trust Division of the American Bankers Association in convention at the Stevens Hotel. Mr. Edmonds, long active in the affairs of the A. B. A., served that organization last year as chairman of the executive committee of the Trust Division.

Mr. Edmonds has been identified with The Northern Trust Company since June 1, 1896. Born in Pottsville, Pa., Mr. Edmonds was educated in the public schools of Washington, D. C., receiving his secondary schooling in law institutions of Washington and Chicago. He was admitted to the bar in Illinois.

Mr. Edmonds was secretary of the World's Columbian Exposition in 1893.



HOWARD O. EDMONDS

At the close of the exposition he was associated in the management of the estate of one of Chicago's pioneers, joining The Northern Trust Company organization in 1896, which for many years he has served as executive vice president, Trust Department.

Mere family never made a man great. Thought and deed, not pedigree, are the passports to enduring fame.—Skobelev.

A drummer in the soap line was relating how at the beach he saw a bathing girl being carried away by the surf.

"Of course you plunged in and saved her," said a listener.

"No, I couldn't swim; but with quick thought I opened my sample case, and flung her a cake of our famous soap."

"What was that for?" several asked.

"To wash her back," was the calm reply.


SINCE 1868

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MAJOR MIDDLE WEST
INDUSTRIES**

New accounts invited from business firms, responsible individuals, and out-of-Chicago banks desirous of establishing an equitable banking relationship from which satisfactory accommodations can be obtained

The LIVE STOCK NATIONAL BANK

OF CHICAGO
UNION STOCK YARDS



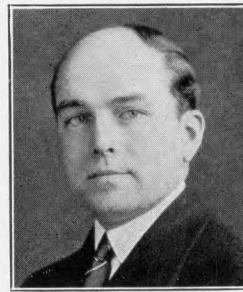


B. F. KAUFFMAN
President

Iowa Bank News

Officers Iowa Bankers Association

President B. F. Kauffman
Des Moines
Vice President C. R. Gossett
Sioux City
Treasurer C. S. Rye
Manly
Secretary Frank Warner
Des Moines



FRANK WARNER
Secretary

Unrestricted

The Kinross Savings Bank has been released from Senate File 111. The release was effective September 9th. Waivers were taken the past few weeks placing 50 per cent of the bank's assets in the hands of trustees. Of the balance 15 per cent in cash has been released. The new waivers recently taken supersede the old ones taken last summer and the latter have been discarded. Forest Herr is president of the bank, and William F. Herr is vice president.

Joins Federal Reserve

State Savings Bank of Fontanelle is a member of the Federal Reserve System, the local institution having received a certificate issued by the Federal Reserve Bank of Chicago by authority of W. H. Woodin, Secretary of the United States Treasury, effective September 11, 1933, licensing it to perform full normal banking operations.

Operations of the State Savings Bank of Fontanelle have never been restricted in any way except for a very few days at the beginning of the national banking holiday when all banks were restricted for the benefit of those threatened with disaster, and the local bank now holds certificates of approval from both state and federal authorities.

New Safe

The Iowa Trust and Savings Bank, of Emmetsburg, put their new safe into use recently.

This Mosler-Corliss bank safe weighs around 16,000, it is fire proof and practically burglar proof, and is equipped with a triple time lock. There is only one other of the size in the state of Iowa. The cost of this safe, when new, is \$3,800.

A. B. A. Conventionites

The following were delegates from Iowa to the American Bankers Association convention in Chicago:

C. J. Adam, cashier, Clayton County State Bank, Guttenberg; Clarence J. Adams, cashier, Dyersville National Bank,

Dyersville; William Adams, president, First National Bank, Denison; L. A. Andrew and wife, president State Bank Division, Des Moines; A. E. Anderson, cashier, Clay County National Bank, Spencer; T. L. Shford and wife, president, Boone State Bank and Trust Company, Boone; Ray BaAiley, vice president, Jasper County Savings Bank, Newton; W. W. Blaiser, president, Farmers State Bank, Jesup; D. W. Bates, Superintendent Department of Banking, Des Moines; E. W. Brauch, vice president, First National Bank, Gladbrook; E. R. Burkett, cashier, First National Bank, Perry; S. E. Coquillette, vice president, Merchants National Bank, Cedar Rapids; John A. Dunlap and wife, president, Keokuk National Bank, Keokuk; E. J. Engeldinger, vice president, Union Story Trust & Savings Bank, Ames; T. L. Evans, president, Farmers Savings Bank, Beaman; Geo. W. Falk and wife, cashier, First National Bank, Oelwein; Fred J. Figge and wife, president, Ossian State Bank, Ossian; Reginald B. Figge, vice president, Ossian State Bank, Ossian; V. O. Figge, executive vice president, Davenport Bank & Trust Company, Davenport; C. L. Fredrickson, vice president, Live Stock National Bank, Sioux City; Charles R. Gossett and wife, vice president, The Security National Bank, Sioux City; B. A. Gronstal and wife, vice president, Council Bluffs Savings Bank, Council Bluffs; James E. Hamilton and wife, president, Merchants National Bank, Cedar Rapids; John T. Hamilton II, Merchants National Bank, Cedar Rapids; J. T. Hardin, Jr., cashier, Citizens Savings Bank, Eldora; C. F. Harris, cashier, Gladbrook State Bank, Gladbrook; Earl A. Hoffman, vice president, The Toy National Bank, Sioux City; Herbert L. Horton, executive vice president, Iowa-Des Moines National Bank & Trust Co., Des Moines; J. M. Hutcheson and wife, Trust officer, Davenport Bank & Trust Co., Davenport; Ed Huxford and wife, president, Cherokee State Bank, Cherokee; E. L. Johnson, president, First National Bank, Waverly; A. W. Jones, president, Sac City State Bank, Sac City; F. A. Jones and wife, president, Tama State Bank, Tama; B. F. Kauffman, president Bank-

ers Trust Company, Des Moines; H. G. Kramer, vice president, City National Bank, Clinton; Harold J. Kriebs, wife and two sons, cashier, Central State Bank & Trust Co., Elkader; R. P. Lien, vice president, National Bank of Waterloo, Waterloo; Chas. W. Logan, president, First Trust & Savings Bank, Moville; H. O. Lovett, cashier, Decatur County State Bank, Leon; Leonard R. Manley, president, Woodbury County Savings Bank, Sioux City; Wm. M. McDonald and wife, cashier, Rodney Savings Bank, Rodney; B. L. McKee, cashier, Muscatine Bank & Trust Co., Muscatine; Grant McPherrin and wife, president, Central National Bank & Trust Company, Des Moines; J. J. Miller, cashier, Waterloo Savings Bank, Waterloo; J. R. Miller, Jr., president, Commercial State Bank, Denison; Donald A. Mullen and wife, Waterloo; J. H. Neil and wife, vice president and director, Tama State Bank, Tama; F. S. Richards, cashier, First National Bank, McGregor; E. T. Rorem, cashier, Security State Bank, Radeliffe; Mrs. Hazen I. Sawyer, Keokuk Savings Bank & Trust Co., Keokuk; H. W. Schaler and wife, vice president, Citizens First National Bank, Storm Lake; Charles A. Smith and wife, Rodney Savings Bank, Rodney; Herman Staak and wife, cashier, Davenport Bank and Trust Co., Davenport; George C. Swiler, president, Burlington Savings Bank; Robert W. Turner and wife, president City National Bank, Council Bluffs; R. W. Waite and wife, vice president, Waterloo Savings Bank; Frank Warner, secretary, Iowa Bankers Association, Des Moines; Leo J. Wegman, president, Farmers Savings Bank, Halbur; Frank C. Welch and wife, president, Peoples Savings Bank, Cedar Rapids; F. D. Williams, vice president, First Capital National Bank, Iowa City; J. R. Witzigman, cashier, Miles Savings Bank Miles; H. R. Young, cashier, American National Bank, Arlington.

New Bank

Organization of the new national bank in Hampton is nearing completion. The stockholders of the new proposed bank held a meeting and elected directors, as follows: H. E. Boehmle, Dr. Howard H. Johnston, W. H. Bramwell, W. F. Douglass, and D. D. Bramwell. Officers will be elected by the directors within a few days. The new organization also plans to have two additional directors, making seven in all, for the new bank, the two not now named to be selected later.

At a meeting of the depositors of the Citizens National Bank the sentiment seemed to be unanimous in favor of the reorganization which will result in the establishment of a new bank with clean assets right from the start.

Cashier at Onawa

A. E. Muir, of Pisgah, has been employed as cashier in the Onawa State Bank. While in the banking business for the last fifteen years, Mr. Muir has been employed the past three years in the Pisgah Savings Bank.

Elect Directors

Stockholders of the Woodbury County Savings Bank, in Sioux City, elected the following directors at the reorganization meeting recently.

Leonard R. Manley, M. C. Eidsmoe, C. T. McClintock, Weir Murphy, Otto Bridge, C. T. Hopper and F. H. Schmidt.

Fifty of the bank's 100 stockholders

attended the meeting. The directors will meet to elect officers and choose a site for the bank.

Sioux Rapids Branch

After being deprived of banking service for over a year, Sioux Rapids is to have a bank again, when the Central Trust and Savings Bank of Cherokee will open a local branch.

Negotiations were begun last year, when a petition signed by 100 citizens was forwarded to the Cherokee bank, asking that institution to give a connection with Sioux Rapids.

R. F. C. Aid

Progress toward obtaining R. F. C. aid to rehabilitate the 250 Iowa banks operating under S. F. 111 to enable the banks to gain protection under the temporary federal deposit guarantee fund, was reported recently by D. W. Bates, state banking superintendent.

Mr. Bates and Attorney General O'Connor returned from Chicago, Ill., where they conferred with R. F. C. officials on the senate file banks.

Also present at the conference were B. F. Kauffman, president of the Iowa Bankers Association and member of the state banking board, J. M. Parsons, attorney for the Iowa Bankers Association, and James L. Dougherty and C. J. Durr, of the legal staff of the Washington, D. C., office of the R. F. C.

Ira A. Moore, manager of the Chicago R. F. C. office and H. B. Knight of the Iowa division attended.

Under the amendment to the R. F. C. act, the R. F. C. may give aid to banks whose financial structure has been impaired either through the purchase of non-assessable preferred stocks of the banks or by the purchase of capital notes and debentures.

New at Garner

Plans for the organization of a new banking institution in Garner, to be known as the Citizens National Bank, were started at a recent meeting in the court house at which 100 attended.

Lynn Fuller, vice president of the Central Banking and Trust Company of Des Moines, explained the details of organizing a new institution. Frank Senneff, Britt; Dr. Sam Wesson and Carl O. Roe were named for working out the details of the new bank.

A committee consisting of Charles Bethke, Walter Pritchard, I. C. Hastings, William Boehnke and E. P. Hanson, was appointed to solicit shares of stock.

Celebrate

Mr. and Mrs. Henry M. Carpenter of Monticello, celebrated their fiftieth wedding anniversary at their home September 11th. More than 300 guests attended the reception given in their honor during the afternoon and evening.

After serving as cashier of the Monticello State Bank for many years, Mr. Carpenter succeeded to the presidency of that institution in 1910, following the death of Major S. S. Farwell, who had been made president of the bank after the death of Capt. M. L. Carpenter. Therefore, it is seen that Mr. Carpenter has been an active officer of the Monticello State Bank for more than fifty-eight years.

Have a good aim in life but don't forget to pull the trigger.



**The Omaha
National Bank**
Complete Banking Service

Good Progress

The Iowa Falls State Bank, which opened as a new bank May 24, 1933, is making splendid progress, according to a recent statement. Deposits are \$200,000, loans and discounts \$8,200, government bonds \$40,000, municipal bonds \$22,000, warrants \$4,500 and cash \$138,500.

Unrestricted

Amid a setting of flowers contributed by friends in Des Moines, Chicago and Fort Madison, the Iowa State Bank, Fort Madison, which has been operating under Senate File 111 since the President's order of March 4, resumed regular banking operations last month.

Bank officials were highly pleased with the reception given the bank on its return to regular banking operations and T. T. Hitch, president, declared that the bank "was doing an excellent business," and he concluded "the bank has many friends both in Fort Madison and abroad. We are entirely pleased with the situation."

Becomes Cashier

The resignation of Phillip G. Young as Benton's assistant county treasurer to accept the cashiership of the reorganized Benton County State Bank at Blainstown was announced recently.

Before his appointment as assistant county treasurer last January, Mr. Young served two years as deputy county auditor under Milo Harper. Prior to that time he had been assistant cashier of the Atkins Savings Bank.

Security Bank Opens

The Security Savings Bank opened recently in Marshalltown as a reorganized banking institution governed only by the regular state banking laws, after a year's operation under the waiver plan and under Senate File 111.

D. W. Bates, state superintendent of banks, informed H. M. Vawter, former president of the Security bank, that the bank's assets had been approved 100 per cent by the state banking department. The release came after a sixty day campaign among depositors of the bank during which time enough of them signed agreements drawn by the state banking department to allow the setting up a new list of assets.

W. O. Lane is president of the bank under the new organization, E. Lester Williams remains as a vice president (inactive), G. B. Brown is cashier, and Esta Conn is assistant cashier. Mr. Lane comes from Waterloo. Mr. Vawter is chairman of the board of directors.

The new Security bank has capital of \$50,000 and a surplus of \$10,000 with undivided profits of \$9,000. Total assets of the new bank are listed as \$450,000.

New in Humboldt

The First National Bank in Humboldt received a telegram from the United States Banking Department last month that it had been granted charter No. 13766 and could open for business at once. The new bank opened immediately under the plans approved by the department of banking, and placed fifty per cent of the deposits of the old bank that was closed March 4th, at the disposal of the depositors.

The new National Bank in Humboldt was organized to take over the business of the National Bank of Humboldt that was closed March 4th. New capital of

\$50,000 was subscribed and paid in, with a surplus of \$10,000 also paid in. The officers of the new bank are: C. W. Garfield, president; E. O. Nervig, vice president; B. B. Watson, cashier; R. D. Leland, assistant cashier; Mary Vonderhaar and Robert Watson, bookkeepers.

The board of directors consists of B. B. Watson, G. P. Ruse, J. D. Berkheimer, C. W. Garfield and G. J. Bicknell.

Cashier Resigns

Leon B. Madson resigned as cashier of the Coulter Savings Bank recently to accept a position as cashier of the Citizens State Bank at Wyoming. No suc-



THE mainspring of good banking is mature, sound business judgment

BANKERS TRUST CO. BANK



CORNER 6th AND LOCUST STS., DES MOINES

CAPITAL \$1,000,000

SURPLUS \$200,000

DIRECTORS

L. B. BARTHOLOMEW
Vice Pres.-Trust Officer
PAUL BEER
President, The Flynn Dairy Co.
DR. O. J. FAY Surgeon
HENRY FRANKEL
Treas., Younker Bros.
J. G. GAMBLE Attorney

J. W. HOWELL
Vice President, Warfield-Pratt-Howell Co.
F. W. HUBBELL
Vice Pres. - Treas., Equitable Life Ins. Company of Iowa
J. W. HUBBELL
Vice President, F. M. Hubbell Son & Co.

B. F. KAUFFMAN President
L. B. MAYTAG Capitalist
S. L. SHEUERMAN President, Sheuerman Brothers, Inc.
B. B. VORSE Vice President

cessor to Mr. Madson has yet been named, but Marvin Johansen, who has been assisting Mr. Madson for the last several months, will be in charge of the business of the bank until definite action is taken by the directors.

Unrestricted

The Kinross Savings Bank was released recently from restriction of Senate File No. 111, under which it has been operating since the state law went into effect soon after the national bank holiday of March 4th.

The method by which the Kinross bank

secured its release was similar to the one which is being effected by the Sigourney banks, with depositors' agreements.

This is the third bank in the county to go off the restriction of the state. The other two are the Hayesville Savings Bank and the White State Bank of South English.

Organize

The Iowa Mortgage Bankers Association has completed its organization with election of W. W. Beal of Waterloo, Iowa, president; John B. Wadsworth of Council Bluffs, Iowa, vice president; Earl

Linn of Des Moines, secretary, and J. A. Dougherty of Carroll, Iowa, treasurer.

New Hours

Sioux City banks now observe a new schedule of banking hours including an earlier opening and closing time.

A. G. Sam, president of the Live Stock National Bank, announced at a meeting of the Sioux City NRA committee that the new schedule has been agreed on by members of the Clearing House Association.

Under the new schedule the banks open at 9 a. m. instead of 9:30 a. m. and close at 2:30 p. m. instead of 3 p. m. Because most of the banking business of the city is conducted in the early hours of the day it was decided to advance the opening and closing hours, Mr. Sam said.

Joins Fed

The Templeton Savings Bank of Templeton, is now a member of the Federal Reserve System, according to an announcement made by the officers of the banking institution. It is believed that Templeton is the smallest town in the country to have a bank which holds membership in the Federal Reserve System. It is the only state bank in Carroll county which holds such a membership.

Not Guilty

Judge H. J. Mantz has directed a verdict acquitting W. J. Burke, president of the Valley Savings Bank, Missouri Valley, of forgery.

The state charged that Burke signed the name of Mrs. E. J. Tierney of Modale, to a bank draft for \$361.69 and that payment was refused.

Judge Mantz in the verdict stated that Burke did not attempt to profit by the signature and that a cashier's check was deposited in the bank.

Unrestricted

The Farmers Saving Bank at Albert City began unrestricted operations September 21st. The bank has been operating under senate file No. 111 since the national bank holiday and Albert City business has been greatly handicapped by the restrictions. The state department of banking has notified the bank that it may return to its original basis. N. B. Scoles, a Des Moines banker, is new cashier of the bank.

To Direct Insurance

Carl Trout, former deputy state banking superintendent, is to be the examiner in Iowa for the federal bank deposit insurance board.

Announcement of the appointment was made by the board after a conference



SALMON P. CHASE
Secretary of the Treasury under LINCOLN

A BACKGROUND *of Banking and Trust Service*

THE CHASE NATIONAL BANK of today is a development both of a long period of natural growth and of a series of comparatively recent consolidations. The most notable of these were with The Mechanics and Metals National Bank, The National Park Bank and The Equitable Trust Company of New York. Each of these banks was an outstanding financial institution and each made a substantial contribution to the service, management, resources and prestige of The Chase National Bank.

Today the Chase, as a commercial bank, offers every facility and conveni-

ence known to conservative banking. Its background of long experience and the advantages of its international facilities have attracted the accounts of banks, bankers, business houses and individuals from all parts of the world.

As another important phase of its operations, the Chase conducts a Trust Service which at all times has justified confidence in its effective discharge of fiduciary responsibilities. Sympathetic

and expert attention is made available in this highly specialized and technical field, through the Chase Personal Trust Department, to those whose affairs are placed in its charge.

<i>Growth of Chase Total Resources</i>	
1877 (Organized) \$	1,042,009.25
1887	9,489,346.24
1897	36,239,476.68
1907	105,096,072.52
1917	422,460,081.73
1927	1,001,292,727.31
1933 (June 30) . .	1,727,182,164.14

The
CHASE NATIONAL BANK
OF THE CITY OF NEW YORK

with D. W. Bates, Iowa banking superintendent.

Mr. Trout will have an office in the state house at Des Moines and will attend to details of obtaining insurance for banks under the national deposit insurance plan.

The outlook for Iowa banks, Mr. Bates says, indicates that a larger number than previously expected will be able to take advantage of the program, and banks with assets sufficient to pay their liabilities will be admitted to membership.

Unrestricted

The United State Bank of Dyersville, has been released from the restrictions of Senate File 111 under which it has been operating since the National Banking holiday declared by President Roosevelt on March 4th. As a result the bank opened September 12th, released from all restrictions imposed by the new banking law S. F. 111.

Solvent for 76 Years

With the death of George Edward Rix there passes from Keokuk the Rix family name intimately associated with social and business life there continuously for more than 75 years. The Collisson family, however, are direct descendants of the Rix family.

It closes the remarkable careers of two men, father and son, George Rix, Sr., and George Edward Rix, "gentlemen of the old school," bankers and merchants, who have been a constructive force in Keokuk ever since it was a young boom town in the fifties.

George Rix saw the storm coming in the fifties. So he brought to Keokuk as much cash and property as possible for safe keeping in 1857. Here he founded a private banking house, Rix, Hale & Co., in partnership with Oscar C. Hale, another Vermont banker who had married his sister, Susan D. Rix. Mr. and Mrs. Hale lived in Keokuk many years until their deaths. He was city treasurer for several years and treasurer of the Des Moines Valley Railroad.

Rix, Hale & Co. became the Keokuk branch of the old State Bank of Iowa, later the State National Bank of Keokuk, merged later to form the State Central Savings Bank, under Judge William Logan's management. George Edward Rix, a warm friend of Mr. Logan, became cashier in 1896 and later vice president and director until he retired from active business in 1916. These banks therefore have an unbroken record of solvency for more than 76 years.

When you see a man with a yard-long face, he's probably thinking of what happened to the money an agent once urged him to invest in life insurance.—Robert Quillen.

LARGE ATTENDANCE AT A. B. A. CONVENTION

(Continued from page 7)

tion's desire for a more rapid expansion of credit as an aid to the NRA. Also President Roosevelt sent a message, which was read to the convention, in which, after paying tribute to the bankers for the part they have played in the development of the recovery program to date, the President said in part:

"We still have much to accomplish in making credit facilities adequate for the national recovery we are bringing about. The banks must play an important part in

making increased loans to industry and commerce. After a period of drastic liquidation such as we have experienced it requires unusual courage and judgment to appraise security and to extend credit. The vital importance of helping the wheels of industry to turn by putting savings to gainful use must receive increasing and immediate attention. Loans can and will be made. I want you to know that we rely on your organization for its cooperation in furthering the free flow of credit so essential to business enterprises, whether they be large or small. Only if this is done can employers do their full part in the great recovery program now under way. Never before in its history

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DES MOINES - - - - - IOWA

has this nation had greater need of courageous bankers. I am relying on them for prompt realization of the changes now taking place in general conditions and of their part in the revival of economic activities and the increased employment of workers. I am confident that you will work with me to meet the credit needs of industry and trade."

Policy Commission Report

The report of the Association's Economic Policy Commission headed by Leonard P. Ayres, vice president Cleveland Trust Company, after recommending that the Association urge the national administration to postpone deposit insurance, de-

clared strongly against pressure and propaganda for an "ultra-liberal loaning policy in support of the recovery program now under way." The report stated further that "the objectives of the recovery program justify all the support that banks can rightfully give, but they justify it just so long as that support involves only good banking and does not jeopardize the funds of depositors."

President Sisson in his opening address to the convention made a vigorous defense of banking, emphasizing that the banks were no more to blame for the depression than was agriculture, industry, or any other branch of our economic life. Also he expressed the thought that improve-

ment to be permanent must proceed on sound and stable lines, and he strongly attacked the deposit insurance section of the Glass-Steagall Act.

Resolutions

The resolutions recommended to the National Administration that the initiation of deposit insurance be postponed, stating that "it is our considered judgment that means should be found to postpone action in putting into effect the proposed measures for deposit insurance. We believe that if the attempt is made to hurry through arbitrarily strict examinations the result will be the suspension and liquidation of some thousands of banks which would deprive many communities of banking facilities and would entail new losses and new credit deflation that would unsettle business and impair the prospects of recovery. If on the other hand the necessarily hurried examinations should be lax and superficial many institutions would be admitted to deposit insurance that can not rightfully qualify for its privileges."

With respect to the sale of preferred stock to the R.F.C. the resolutions stated: "We commend to the thorough and thoughtful consideration of all bankers the opportunities to expand and strengthen the capital structures of their institutions that are being made available through the offer of the Reconstruction Finance Corporation to purchase freely the preferred stock or capital notes of banks."

The resolutions also recommended the appointment of a federal commission to make a thorough-going study of "the vastly important problems of money and banking and central banking that are pressing for solution and settlement."

When Comptroller of the Currency James F. T. O'Connor spoke before the convention at the closing session on Thursday it was immediately evident that the national administration did not contemplate postponing deposit insurance. Mr. O'Connor stated that plans had been perfected for putting the insurance feature into effect by January 1, 1934, the date specified in the Glass-Steagall Act, as he announced the names of the two appointive directors of the Federal Deposit Insurance Corporation, the comptroller being director ex-officio. Walter S. Cummings, Chicago industrialist and executive assistant to Secretary of the Treasury Woodin, and E. G. Bennett, banker and business man of Ogden, Utah, had been named by President Roosevelt, Mr. O'Connor said. Mr. O'Connor sought to reassure the bankers as to deposit insurance and assured the meeting of fair treatment for small institutions.

Officers

The national officers of the Association were elected as follows: Francis Marion Law, president First National Bank of Houston, Texas, president; Rudolf S.



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1933-Century of Progress Exposition in Chicago

Hecht, chairman Hibernia National Bank, New Orleans, Louisiana, first vice president; and Robert V. Fleming, president Riggs National Bank, Washington, D. C., second vice president. At the executive council meeting immediately following the convention Hal Y. Lemon, vice president National Bank of Detroit, Detroit, Michigan, was elected treasurer, and F. N. Shepherd was re-elected executive manager. Delos J. Needham of Cleveland was appointed general counsel, filling the vacancy caused by the death last March of Thomas B. Paton.

The following were elected in the various divisions:

National Bank Division: Irving W. Cook, president First National Bank, New Bedford, Massachusetts, president; O. J. Lord, president Capital National Bank, Olympia, Washington, vice president.

Savings Division: Henry S. Kingman, treasurer Farmers and Mechanics Savings Bank, Minneapolis, Minnesota, president; Howard Moran, vice president American Security and Trust Company, Washington, D. C., vice president.

State Bank Division: Clyde Hendrix, president Tennessee Valley Bank, Decatur, Alabama, president; James C. Bolton, vice president Rapides Bank and Trust Company, Alexandria, Louisiana, vice president.

Trust Division: H. O. Edmonds, vice president The Northern Trust Company Bank, Chicago, Illinois, president; Leon M. Little, vice president New England Trust Company, Boston, Massachusetts, vice president.

It was announced that the Association had received invitations for two years ahead from cities desirous of acting as host to the annual convention. One was from Washington, D. C., for 1934, and the other from New Orleans for 1935.

LET'S FIGHT FOR STATE BANKS

(Continued from page 9)

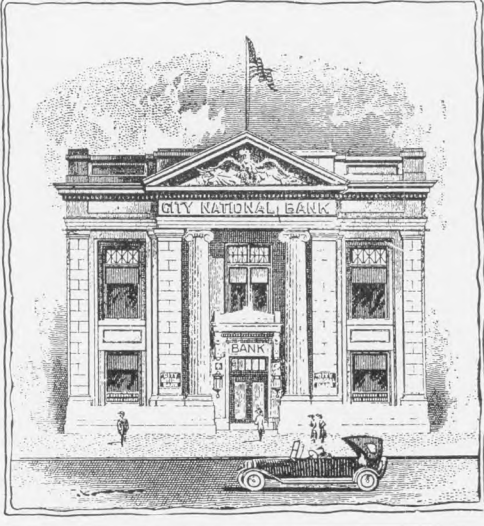
ing that year totaled 1,890, and banks with resources of over one million dollars closing during that year totaled 426. However, these 426 banks had total deposits of \$1,417,798,000.00, and the 1,890 small banks had deposits of only \$396,237,000.00. In 1932 the record was practically the same. Banks with deposits of one million dollars each accounted for 77 per cent of the total liability in closed banks. In 1930 the record is even worse as nearly half of the deposits in closed banks for that year were found in two organizations, one a branch banking system in New York and the other a group in Kentucky. In the face of these official records, we have been continually told that banks with capital of less than \$50,000.00 and located in towns of 10,000 and less were really the

cause of the depression and all of the bank trouble. This has been repeated so many times that a great many people believe it. Official figures show this propaganda to be absolutely untrue. It is also said that we must have branch banking in order to provide safety. The official records for the past two years show that seventeen banks with 567 branches have closed with \$1,612,188,000.00 in deposits. If that is large branch banking safety, the record is certainly decidedly worse than unit banking. The official records for closings of Federal Reserve non-member banks are equally interesting. Only one-third of our banks are members of the Federal Reserve System. In 1932

with closings of 1,125 non-member banks and 331 member banks, nearly the same proportion is shown in number, but the deposits of the member banks were only a little over one-half the deposits of non-member banks, the figures being \$269,000,000.00 for member banks and \$446,000,000.00 for non-member banks.

Topheavy

The recent acute period of our banking trouble, followed by the President's banking holiday, was brought on mainly by the failure of several of our largest banks not in any state system. In fact a total lack of confidence in the large reserve banks in New York and Chicago



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Vice President and
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H. G. KRAMER
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Vice President

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Cashier & Assistant
Trust Officer

M. E. McCRABB
Assistant Cashier

E. JOHANNSEN
Assistant Cashier

H. M. OLNEY
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Assistant Cashier

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Auditor

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THE NEW DEAL

New banking conditions brought about by new national developments make close contact between banks and correspondent banks more important than ever.

We feel that the intimate and personal relationship built up through years of conscientious service will prove to be a most important factor in the New Deal, for banks that correspond with us.

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CLINTON, IOWA

<p>W. A. ANDERSON President</p> <p>C. A. ARMSTRONG President C. F. Curtis Company, Inc.</p> <p>A. A. BENTLEY President Fidelity Life Association</p> <p>A. P. BRYANT Vice President Clinton Corn Syrup Refining Co.</p> <p>O. D. COLLIS President The Collis Co.</p> <p>W. H. ITEN Iten Bros.</p>	<p>E. J. CURTIS Vice President Curtis Bros. & Co.</p> <p>G. L. CURTIS President Curtis Companies, Inc.</p> <p>G. W. DULANY JR. President Eclipse Lumber Co. Chairman Climax Engineer- ing Co.</p> <p>MILO J. GABRIEL Vice President President Gabriel Lumber & Fuel Co.</p> <p>B. M. JACOBSEN Congressman Second Iowa District</p>	<p>E. L. MILLER Attorney</p> <p>J. PETERSON</p> <p>O. P. PETTY Vice President</p> <p>H. W. SEAMAN</p> <p>J. O. SHAFF Farmer and Live Stock Dealer</p> <p>F. H. VAN ALLEN President J. D. Van Allen & Son, Inc.</p> <p>F. J. WARD Vice President and General Manager Eclipse Lumber Co.</p> <p>G. E. WILSON Pres. Clinton Bridge Works</p>
---	---	---

and a total collapse of the entire banking system showed that the people of the country had no more confidence in the so-called "Bigness" than they had in the unit country bank.

Let us look for a minute at the comparative size of the foreign system, held up as ideal for America. In Canada there are eleven banks with 4,083 branches, but three of these banks, with over 2,600 branches, control more than 70 per cent of the country's resources, and two banks in New York have more bank deposits than all of the banks in Canada.

It may be that one of the main reasons for this propaganda against the unit country bank is the apparent ease with which certain interests could control large groups of branch banks covering large sections of the country. There is positive menace to the financial stability of the United States in the stock market manipulations which may result if we have any large concentration of banking power through branch banking systems. This is a phase of the subject deserving careful study as it is a real danger.

Sixty Successful Years

The American dual system of banking has proved a success for over sixty years. Banks under state supervision in our forty-eight states and banks under national supervision have gone along year after year, serving not only their own communities, but the country as a whole, and responsible, to a great extent, for the development of the country.

The unit bank, which in a large measure makes up this dual system of banking, is now attacked by those in favor of the foreign systems of banking, and an effort is being made to destroy the unit country bank as it exists today and has existed

for many years. The unit country bank, whether national or state, owned and officered by men who have their homes in the community where the bank is located, has been the greatest factor in building up that community. It has prospered with the people and suffered with them from the depressions which have affected their community.

These so-called country banks have gathered together the savings of their communities and used them in a large measure to build up their home towns and the country roundabout. It has been ideal financial setup, both for the banker and the customer. Mistakes have been made, but mistakes have been made in our large city banking. Unit country banking has had its share of failures, because people who owed the bank could not pay their obligations on account of the world-wide economic conditions over which they or their bank had no control.

The fight against the unit country bank and the American dual system of banking has been going on now for several years, but this fight has been intensified during the past year by the crisis existing on account of the depression. Those who wish to destroy the American dual system of banking have taken advantage of this great depression and, by making use of the hysteria resulting from the failure of American business and untrue propaganda, have tried to bring the unit country bank into great disfavor. This has gone so far that the ridiculous statement has been made that the unit country bank has proved a failure. It has not proved a failure any more than Federal Reserve banks, large national banks, branch banking, group banking and chain banking, as the official records will show. For some reason the unit banker has gone

along attending to his business and has allowed this untrue propaganda to spread day after day without proper denial. However, we are confronted with a fight for the very existence of the unit country bank, both national and state. We fought the first battle last year when Section 19 of the Glass Bill would have put out of business all small national and state banks. We were told that Section 19 was sure of being enacted into the law. The unit banker was aroused, however, Congress heard from the folks back home, and Section 19 was defeated. Then those who have been fighting the unit country bank changed their attack and proposed a unification of our banking systems. Ridiculous as it may seem, this "unification of banking" idea proposed the destruction of half of our banks, making membership in the Federal Reserve System the necessary attribute of every bank in order to do business. As this part of the program progressed and the bank deposit guaranty scheme was hung on to the Federal Reserve System, with the confiscation of half the earned surplus of the Federal Reserve banks, there was quite a change of opinion. However, the hysteria to destroy continues and the unit country bank is in greater danger today of being exterminated than at any time during the period of its useful existence.

We Have a Fight

Those of us who believe in the American dual system of banking and those of us who wish to preserve the unit country bank may as well realize now before it is too late that we have a fight on our hands. The propaganda to destroy the American system and to put in its place the foreign system, represented primarily by Canada and England, is being pushed by powerful interests with plenty of money for promotion purposes. State-wide branch banking is the first step in the program, next comes so-called trade area branch banking, and then follows, as a matter of course, nation-wide branch banking with seven or eight large systems having three or four thousand branches each.

The fight against the unit country bank is not political, but is a fight that large interests are making to concentrate the banking power of this country in a few hands. The campaigning is carefully manipulated, untrue propaganda is spread broadcast and the unit banker fighting for his very life is confused by the rapid changes in the form of attack. The primary idea, of course, is to control all of the banking interests of this country by one bureau in Washington. Wise national bankers have known for years that the best check they had upon unwise national bank regulations was the state bank systems, in that the state bank systems were not more lenient, but that they were a constant check against na-

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CITY NATIONAL BANK

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tional legislation which might seriously interfere with national banks. It is nearly inconceivable that any man with a knowledge of Washington bureaucracy would want the entire financial resources of this country tied up in one politically governed bureau in Washington.

An Unwise Move

The movement to put all banks under the Federal Reserve System, another angle in the attack against the unit country bank, is equally indefensible. The Federal Reserve System should have the support of all large commercial banks, and every bank doing a commercial business with resources of over a million dollars should belong to the system, but any effort to compel all the unit country banks to belong would not be wise or even desirable from the Federal Reserve viewpoint. It would add infinitely to the detail and responsibility of the system without material benefit. In fact, the best posted men with a thorough knowledge of the Federal Reserve System have repeatedly said that one-third of the banks in this country have no place in the system. Their wants can be taken care of better by the use of correspondent banks in reserve centers.

The American dual system of banking with thousands of unit country banks, both national and state, are going to fight for the continuation of their existence. All they want is the opportunity to continue to be of service to their communities, to continue to have a large part in the building of their country. They are Americans that are in favor of American banking. They have worked for two generations in many places to build up safe and helpful banks. They protest against the use of depression hysteria to destroy their business. They have the right to demand, at the very least, a careful study of the entire situation before Congress takes action. The official records show that the unit bank has not been a failure. Paid propagandists with selfish interests to promote have continually misrepresented the situation. The millions of the folks back home who have prospered with the unit bank and who have suffered when they were unable to pay their obligations, causing the unit bank troubles, are ready to fight for a continuation of the American system. They need to be aroused because their communities are in danger of losing the greatest factor in their success. The unit country banker needs today more than ever before the fighting spirit of the pioneers, and with this fighting spirit he must have continued faith, not only in his country, but in his bank and in himself.

(Editor's Note: The foregoing article contained excerpts from the address made by Mr. Andrew at the recent A. B. A. Convention in Chicago.)

To Discontinue Paris Office

Plans to discontinue the operation of the Paris office of Bankers Trust Company, established in 1920 as a result of the large increase in foreign travel and the growth of foreign business after the world war, have been announced by S. Sloan Colt, president of the bank. Mr. Colt issued the following statement:

"The board of directors of Bankers Trust Company has decided to discontinue the operation of our Paris office at the close of business September 30, 1933. Inasmuch as Messrs. Morgan & Cie. act as one of our correspondents in Paris, we

have asked them to render to our clients the service it has been our privilege to render in the past.

I want to take this occasion to express to the many thousands of Americans who have used our Paris office during the past thirteen years our appreciation of the opportunity of serving them."

Several of the officers of the Paris office will be transferred to the London office. Others, including O. P. McComas, vice president, will return to New York. Still others, including Julian Allen, assistant manager, will become associated with Morgan et Cie., where they will continue to serve the former customers of the Paris office of Bankers Trust Company. All of

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Joliet, Illinois

the principal executives of the Paris office will continue to serve in one of these three capacities.

Forba McDaniel Resigns

Resignation of Miss Forba McDaniel, secretary of the Indiana Bankers Association since 1924, and the selection of Don E. Warrick, head of the Indianapolis Clearing House Association department of bank examinations to succeed her, has been announced by Felix M. McWhirter, president of the organization.

Miss McDaniel becomes assistant to the vice president and general sales manager of Pfaff & Hughel, Inc., investment banking house which has offices in Indianapolis, Chicago, Fort Wayne and Evansville, and will make her headquarters in Chicago.

Mr. Warrick, who has been connected with the banking business since 1925, assumed his new duties September 1st.

Miss McDaniel remains with the association until October 1st, however, in an advisory capacity.

Miss McDaniel received her offer from Pfaff & Hughel, Inc., some time ago and informed Mr. McWhirter of it. It was held in abeyance, however, to give the organization an opportunity to select her successor.

"Miss McDaniel has literally grown up with the association," Mr. McWhirter said, "and we regret to lose her. She has been with us during some troublesome times and has rendered excellent service.

"Much of the ability of the association to serve its members and much of its cohesion are due to her ability as an organizer. No president, who is elected to serve one year, could have perpetuated such policies in an adequate manner without her assistance."

Mother: "Jane, why are you putting water into the ink?"

"Well, mother, in this part of the letter I want to whisper something to daddy."

Psychology

I have no repressions,
Nor am I vain;
My thought are not filthy
I must be insane.

Joanne after seeing a drunken man for the first time in her short life was demanding explanations.

"Why, mother," said she, "did he fall down when he stood up?"

Her mother explained that too much drink made it impossible for one to stand up straight.

"Yes, but mother," said Joanne again, "this man couldn't even stand up crooked."

"Little girl, why are you so interested in these birds?"

"Well, I just learned that there ain't no Santa Claus and I'm out here to investigate this stork proposition."

Every man is the architect of his own fortune.—Pseudo-Sallust.

Bankers' Wants

This department of The Northwestern Banker is free to subscribers. To non-subscribers, a charge of five cents per word. In answering key numbers, please enclose postage for forwarding purposes. And remember, this service is free to subscribers.

Position Wanted—Cashier in small bank or teller in larger bank. Married. Age 42. Eighteen years of experience. Address the Northwestern Banker, No. 3211. 8-9-10.

Position Wanted—Young woman desires place as bank teller or assistant cashier. Experience and references. Address the Northwestern Banker, No. 3213. 9-10-11

Wanted—Used Bankrol or Deferred Time Lock Chest. Woodbury County Savings Bank, Sioux City, Iowa, or address 3214 Northwestern Banker. 10

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PRINCIPLES WHICH ENDURE



Policies must change to meet changing conditions, but sound principles endure.

For more than a century certain fundamentals have governed Central Hanover.

IN BANKING—cooperation with customers in good times and bad; a primary regard for the safety of deposits.

IN TRUSTS—full appreciation of conservation as the first responsibility of a trustee; independence in the selection of investments for trust funds; thoughtful attention to beneficiaries as well as to property.

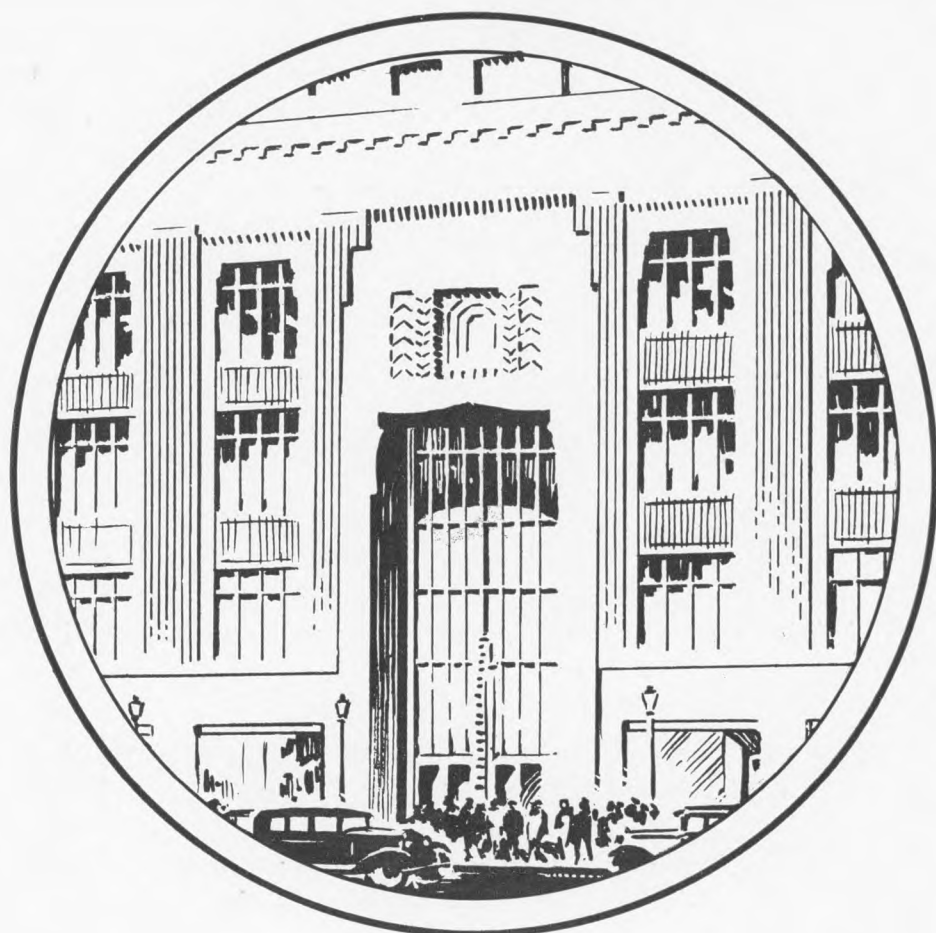
IN ALL RELATIONS—emphasis on quality of service designed to make this bank a constructive influence in the affairs of its customers and the business of the nation.

These principles endure.

They will control our course in the future as they have in the past.

CENTRAL HANOVER BANK AND TRUST COMPANY

NEW YORK



58 Years in Des Moines

ON OCTOBER 26, 1933, this Bank will begin its 59th year in Des Moines. With this background of nearly three score years of service to Des Moines and Iowa, our eyes are turned toward the future and its ever widening field of opportunity for constructive commercial banking.

Today this Bank is prepared to meet the increasing demands of business recovery. With direct banking connections in all sections of Iowa and in the principal cities of the country Iowa's Largest Bank invites banks and bankers to make use of the complete banking service which it offers.

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